THE SECURITY SITUATION ON THE KOREAN PENINSULA

Y 4.F 76/1:K 84/14

The Security Situation on the Korea...

JOINT HEARING

BEFORE THE

SUBCOMMITTEES ON
INTERNATIONAL SECURITY, INTERNATIONAL
ORGANIZATIONS AND HUMAN RIGHTS

AND

ASIA AND THE PACIFIC

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

FEBRUARY 24, 1994

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THE SECURITY SITUATION ON THE KOREAN PENINSULA

THURSDAY, FEBRUARY 24, 1994

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON INTERNATIONAL SECURITY, INTERNATIONAL ORGANIZATIONS AND HUMAN RIGHTS, JOINT WITH THE SUBCOMMITTEE ON ASIA AND THE PACIFIC,
Washington, DC.

The subcommittee met, pursuant to call, at 1:30 p.m. in room 2200, Rayburn House Office Building, Hon. Tom Lantos (chairman of the Subcommittee on International Security, International Organizations and Human Rights) presiding.

Mr. LANTOS. The joint hearing of the Subcommittee on Asia and the Pacific and the Subcommittee on International Security, International Organizations and Human Rights will be in order.

Chairman Ackerman will be joining us shortly.

Soon after we declared the cold war over and congratulated ourselves on our success, Saddam Hussein reminded us in a very painful way that new and terrible threats to international security and stability remained. Chief among those threats is the proliferation of weapons of mass destruction. A short time after the Gulf War, we learned a great deal more about the full scope of the Iraqi nuclear weapons program. We learned that despite intense Western intelligence efforts focused on the Iraqi nuclear program before the war, the Iraqis remained capable, through outright lies and subterfuge, to outwit and fully deceive the International Atomic Energy Agency as to the full scope of their nuclear program.

Today, we face a similar threat of nuclear proliferation in North Korea. Although there is some disagreement within the intelligence community, many experts believe it is likely that the North Korea nuclear program has either already developed a nuclear weapon, or weapons, or intends to develop a weapon in the near future. We, therefore, hold these hearings on North Korean nuclear proliferation at an extremely critical time.

I want to thank the distinguished chairman of the Subcommittee on Asia and the Pacific, my good friend Congressman Ackerman for his efforts and commend him for bringing the issues of North Korea to the attention of both the Congress and the American people and for his personal efforts in going to North Korea and meeting Kim Il-Sung in an effort to convince him to alter and modify North Korea's dangerous course.

While we were somewhat pleased last week to learn of North Korea's decision to permit inspection of its seven declared nuclear

sites by International Atomic Energy Agency inspectors, we are a long way—a long way from reaching a satisfactory conclusion to the problem of nuclear proliferation in North Korea. We can certainly hope that Kim Il-Sung has now taken the first step in altering the dangerous course he has set for his country, but we must remain extremely cautious until North Korean behavior provides convincing evidence of a true desire to alter course.

It is also far too early to predict how successful these IAEA, International Atomic Energy Agency, inspections will be, and whether the North Koreans are committed to full compliance with their obligations under the nonproliferation treaty. Recent statements by North Korea, however, do not bode well for they claim a "special status" with respect to the nonproliferation treaty, neither bound by the obligations of full membership nor willing to accept the pariah status of being the first nation to withdraw. This pattern of behavior is becoming all too familiar. First, North Korea makes an agreement and then tries to alter the terms of their commitment. We must, therefore, remain extremely skeptical of North Korea's true intentions.

One reason for our caution and our skepticism remains the lessons that the international community learned from our attempts to halt Iraqi nuclear proliferation. On June 29, 1993, in testimony before a joint hearing of my subcommittee, the Subcommittee on International Security, International Organizations and Human Rights, and the Europe and Middle East Subcommittee, Assistant Secretary of State, Robert Gallucci, emphasized the lessons learned by the International Atomic Energy Agency as a result of their inspections in Iraq.

These lessons are worth repeating today as we are confronted in a very similar manner by North Korean lies, deception, and attempts to evade full IAEA safeguard inspections. Mr. Gallucci reminded us that fundamentally the revelations about Iraq demonstrated the need for the international community to improve IAEA's ability and authority to detect undeclared nuclear activities outside the declared safeguarded facilities.

Specifically, one, that the IAEA should place a higher priority on detecting covert nuclear activities.

Two, that the agency must have the right to perform special inspections whenever necessary to permit it to fulfill its safeguard obligations, including access to special sites.

Mr. Gallucci also reminded us that before the Gulf War, our intelligence community and the intelligence communities of others in the West, had focused on Iraq's nuclear program and that it was clear, in retrospect, that they got it wrong and that there were elements of the Iraqi nuclear program totally unknown to the intelligence communities.

Today, as we hear testimony on the North Korea problem, it is useful to review the lessons learned after the Gulf War in dealing with the Iraqi nuclear program, and IAEA inspection in Iraq. We must not repeat the same mistakes we made prior to the Gulf War, and immediately afterward: we cannot solve the problem of nuclear proliferation unless we strengthen and support the activities and authority of the IAEA to detect covert nuclear activity.

The nuclear issue, of course, is not our only concern with regard to the regime in North Korea. As we consider the options available to deal with North Korea's nuclear capability there remain many other aspects of North Korean behavior which are very troubling and which must be addressed as well if North Korea is to be brought into the full membership in the community of nations.

By any definition, North Korea remains a terrorist state. They have never foresworn the use of terrorist violence directed against innocent civilians in order to further their political goals. We shall not forget the cowardly murder of a South Korean Government officials in Burma in 1983 by a North Korean terrorist who detonated a bomb hidden in the roof of a sacred Burmese memorial being visited by members of the South Korean cabinet. Nor can we forget the 1987 terrorist bombing of Korean Air Flight 858 in which 115 innocent civilians were killed in a sickening attempt to dissuade the world from peacefully coming together and celebrating the Olympics in Seoul the following year.

North Korea also has an abysmal record on human rights. North Korea continues to deny its citizens the most fundamental human rights and those who have escaped have reported that tens of thousands of prisoners languish in state-run work camps. Often their only crime is having been designated as politically unreliable or being a relative of someone who is so designated.

North Korea continues to develop the No Dong series of missiles. With a range of nearly 600 miles, this Scud missile could carry nuclear warheads as far as Japan and is a cause of grave concern in the region.

North Korea has also developed an extensive chemical and biological arsenal. Experts have estimated North Korean stockpiles of biological and chemical weapons at 250 tons, with nearly 13,000 troops trained to use these horrific weapons of mass destruction.

So while we continue to hope that North Korea will give up its nuclear weapons program and seek full membership in the community of nations, the signs are not very hopeful. What is critical is that we continue to press North Korea to accept international inspection, and to comply fully with IAEA safeguards, while maintaining a healthy dose of skepticism based on our experience with totalitarian regimes like that of Saddam Hussein and others. If North Korea should obtain a nuclear weapon, it would pose a most serious threat to the entire region and likely result in proliferation across Asia. We cannot allow that and shall not allow that to occur.

The subcommittee will be in brief recess while I cast a vote on the floor, and then we shall resume.

[Recess.]

Mr. LANTOS. The hearing will resume.

Without objection. The chair will place in the record the prepared statement of Chairman Ackerman.

[The prepared statement of Mr. Ackerman appears in the appendix.]

I would like to turn to my good friend and colleague from Ohio and ask if he has any opening statement.

Mr. FINGERHUT. I thank you, Mr. Chairman. I have no opening statement other than to thank the chairpeople of both subcommittees for bringing this issue to our attention. It is interesting for me

to note that while as a member of the Foreign Affairs Committee, I rarely get asked questions at home about questions of foreign affairs, that this question of Korea and the potential for a nuclear weapons on the Korean Peninsula is something that has struck a chord with the American public. I am sure that this is because of the history of American involvement in this area of the world and also because of the concern about nuclear proliferation. So this is not just of concern because of our official responsibilities, but also of concern of the American people and I thank you for helping us address it.

Mr. LANTOS. Thank you very much. We will begin the testimony from this distinguished panel with the Honorable Richard Solomon, President of the U.S. Institute of Peace.

We are pleased to have you and your prepared statement is entered into the record in its entirety.

STATEMENT OF HON. RICHARD SOLOMON, PRESIDENT, U.S. INSTITUTE OF PEACE

Mr. SOLOMON. Thank you, Mr. Chairman. Let me say on behalf of the U.S. Institute of Peace, this is a welcome opportunity. We appreciate your past encouragement of our efforts. Having begun my work here as president in the last few months, what I think we are discussing today presents part of the new agenda on which we will be focusing.

Proliferation issues are a matter of concern in many parts of the world. Last October, we began a 5-month effort to review North Korea's proliferation activities at a time when the American public's mood was increasingly tense on this issue. Press coverage increasingly had the smell of gunpowder about it, and sometimes a sense of frustration in trying to deal with the North Koreans who were resorting to "on again, off again" negotiating behavior. It appeared to many that this just was an unmanageable process.

Given its congressional charter to explore nonmilitary ways of trying to resolve international conflicts, the Institute decided to convene a group of distinguished individuals—one of whom is on my right, former Ambassador to Seoul, Donald Gregg whom I am delighted to have with us. The others are listed on page one of an Institute special report based on the study group's discussing, "North Korea's Nuclear Program: Challenge and Opportunity for American Policy."

Over that 5 months, the working group met with a series of administration officials and private sector specialists well informed about the developments regarding North Korea or themselves grappling with related policy issues. The Institute's objectives were to try to raise the level of public understanding on this very complex issue and to try to stimulate some thinking in the policy community.

What I have done today, Mr. Chairman, and the convergence of our and your own concerns bespeaks the high level of interest in this issue, is to have tabled the report of the working group. I will not do more than in an opening statement try to just cover the key points and then I will certainly welcome comments that you would have.

There is no question but that the North Korean nuclear program represents a very serious challenge to the United States and allied security. Our assessment of this program is that there is no less or more of a military challenge today on the Peninsula than has existed for four decades.

The North Koreans, as far as we know, have not exploded a nuclear device. They are working on a long-range missile system, but have not deployed one. At the same time, however, they clearly are trying to build nuclear weapons.

The United States and its allies, particularly the Republic of Korea, have over these four decades maintained deterrence in the face of a very threatening North Korean conventional military capability, one that presumably has chemical, maybe even biological weaponry, as well. We conclude that it is fundamental in dealing with this situation to maintain an effective deterrent posture.

But deterrence is really only the basis of a strategy for dealing with the North Korean challenge. As I will say in conclusion, there is the possibility of the North Koreans trying to stamp out exactly where they are, and our deterrent force must maintain a clear capability to deal with any use of force by the leadership of a nation that over the decades, as you have indicated in your opening remarks, has a vicious history of the use of violence.

The working group tried to explore negotiating strategies that might deal with this situation and, finally, after all these years of confrontation from the Korean War armistice period, induce the North Koreans, who are in very difficult circumstances, to back away from this confrontation.

The United States and its allies have potent political and economic resources for dealing with this situation. Above all, there has been a strong international coalition over the last several years for confronting the North Koreans on their nuclear proliferation activities. The core of that coalition is our treaty alliance with the Republic of Korea. Moreover, in my time as Assistant Secretary of State for East Asian and Pacific Affairs, I found that the collaboration we enjoyed from Japan, from Russia, from China, from the other permanent members of the U.N. Security Council, indicated that there is strong opposition to proliferation by the North Koreans. It is this international coalition which we believe our diplomacy should seek to enhance and invoke.

In the past when the North Koreans are confronted with what you might call a great wall of opposition to their activities or to other negative developments, they ultimately, reluctantly, and perhaps only partially, respond.

For example, the North Koreans vigorously objected for years to the notion of dual admission to the United Nations of the two Koreas, but ultimately they went along with it. They vigorously objected to recognition of the Republic of Korea by their allies, such as China, but ultimately for reasons that the Chinese will have to tell you, they had to acquiesce to Beijing and Moscow recognizing their rival to the South. So there is a record that indicates that when confronted with immovable opposition, this leadership will ultimately recognize reality.

Now this gets to the point of whether this is a crazy leadership. Is it a leadership that we can deal with? Given the fact that they

have imposed on themselves for decades a high level of isolation and secrecy, it is extremely easy to misread the situation.

Our basic understanding of the facts is very limited. Given North Korea's record of violence, it is quite understandable that one tends to make worst case assessments about their purposes, capabilities, and their activities.

It was in that context that the working group tried to focus on nine issues that we felt needed to be clarified to raise the level of public debate. These issues, which are discussed in some length in our special report, include whether North Korea has the bomb. Is the leadership crazy? Are delaying tactics really working to North Korea's benefit? And is U.S. policy clear to the North Korean leaders?

I won't go over these points in detail in my opening remarks, but I will be glad to comment on them and answer questions that you might have.

Out of this review, we concluded, among other things, that given the complexity of the issue—the intensity of effort that is required to coordinate intergovernmental agency processes in formulating a policy and then building support among our allies—that the administration, we believe, would do well to consider appointing a senior coordinator. This individual should enjoy high level access, be knowledgeable on the issues, respected in the bureaucracy, and well-known to the governments involved.

This is a very difficult situation to deal with part-time. During my own experience as assistant secretary, running the Cambodia negotiations took probably a third of my time. The Korean proliferation issue deals with very basic questions of war and peace. It affects the security of 37,000 American troops. It affects regional security in a very profound way, and it is a good deal even more complex, I would say, than pressing issues in Southeast Asia. So for those reasons, we believe that kind of intense leadership within the administration is warranted.

What kind of a negotiating strategy would be most effective to deal with the North Koreans, given the inchoate state of their nuclear program, and their high level activities across the board militarily, including in the conventional area?

We believe that a package approach that presents them with a strategic choice is the way to deal with a leadership that faces very fundamental issues of its own stability and survival. While there are many questions about the state of the leadership and its economy, we think all the signals, and I am speaking on behalf of a group of specialists who have done what we used to call Kremlinology—reading the tea leaves, reading between the lines—indicate that this leadership understands that it is on a slippery slope.

In this year's New Year's statement, Kim Il-Sung, himself, admitted that the North Korean economy has grave problems. Recently a senior economic official was purged, apparently to take responsibility for some of the difficulties. North Korea has been abandoned by its international allies and they are in a state of very delicate domestic politics as the leadership seeks to make the transition from the great leader Kim Il-Sung to his son. We sense that that is not a stable process.

So in this circumstance, we believe that we have limited ability to shape the agenda and the choices confronting the North Korean leadership. We believe that it would be useful to present them a package proposal which spells out two paths to their future—continuing isolation of confrontation, and slow decline as their difficulties increase, or step-by-step reductions. Tensions that would slowly reduce the threat of hair-trigger military confrontation across the demilitarized zone and over time stabilize the situation.

Is the North Korean leadership capable of confronting this choice in a constructive way? We are not at all sure. This is a leadership, given its militarization of its own society and its Stalinist approach to dealing with not only its own people but the world, that may not be able to embark on a more positive course of action.

But if nothing else, spelling out a positive alternative will convince our international coalition partners that we have laid out a realistic way out for North Korea. If they reject a more positive path, that then we are in a strengthened position to draw the consequences and gain the support of the many countries who by every indication want to work with us in opposing North Korean proliferation. Moreover, we don't believe that its internal circumstances will enable North Korea to stand pat for very long.

They will conclude that their own survival requires them to put their nuclear program under control, to give up their effort to acquire nuclear weapons. If not, they are likely to succumb over time to their own internal weaknesses reinforced by international isolation.

So that is to be working group's general perspective. The group that we assembled has put together. I welcome this opportunity to answer any questions that you may have.

[The prepared statement of Mr. Solomon appears in the appendix.]

Mr. LANTOS. We thank you very much, Ambassador Solomon. We will have a number of questions, but I think we will want to hear from the rest of the panel.

Before turning over the gavel to my good friend and distinguished colleague, I want to acknowledge the contributions to this hearing of both the majority and minority staffs of both of the subcommittees: Dave Davis, Ted Hirsch, Mike Ennis, Richard de Villafranca, Russ Wilson, Jamie McCormick, Enere Levi and Jo Weber.

It gives me a great deal of pleasure to turn the gavel over to Chairman Ackerman.

Mr. ACKERMAN. We share the gavel, Mr. Chairman. I do apologize for being late. And I appreciate your putting my opening statement into the record.

I was the program chairman at a luncheon for a distinguished constituent who also serves as the governor of my State and it was difficult to walk out in the middle, so I hope you do understand.

Mr. LANTOS. Constituent service is the heart and soul of our work.

Mr. ACKERMAN. Well put. I thank you, Mr. Solomon, for that statement. Why don't we continue with the statements, Ambassador.

Mr. GREGG. Mr. Chairman, I didn't bring a prepared statement, knowing that Mr. Solomon was going to prepare an overview of his. I have some comments. Can I make them now or I would be happy to wait until Dr. Bailey has given hers.

Mr. ACKERMAN. If you prefer to wait, that would be perfectly acceptable. Dr. Bailey.

STATEMENT OF KATHLEEN BAILEY, PH.D., SENIOR FELLOW, SECURITY AND TECHNOLOGY STUDIES, LAWRENCE LIVERMORE NATIONAL LABORATORY

Ms. BAILEY. Mr. Chairman, members of the subcommittee, I am very pleased to appear before you today on the subject of security on the Korean peninsula. I am Kathleen Bailey and currently am a senior researcher at Lawrence Livermore National Laboratory, having spent the majority of my professional career in the study of proliferation of weapons of mass destruction, the technical requirements for success and the policy options to deter it. I have served the U.S. Government in the Arms Control and Disarmament Agency, State Department, and the U.S. Information Agency. Among my publications on the subject of proliferation are two books whose subject is the dangers of nuclear, chemical, biological, and missile proliferation. My remarks today represent my own views and do not necessarily represent those of the Lawrence Livermore National Laboratory, the University of California, or any agency of the U.S. Government.

North Korea has violated its international treaty obligations and continues to do so. It is presenting the United States, and its East Asian allies with a grave security threat, the development of nuclear and other weapons of mass destruction. This has already been brought forward today as a major issue, but it has not yet been mentioned that this further erodes the nuclear nonproliferation regime at a critical juncture, the time at which nations are considering whether and for how long to renew the nuclear nonproliferation treaty, the NPT.

What has the United States done in response to North Korea?

It has negotiated with Pyongyang for months with no resultant change in North Korea's behavior. This policy amounts to appeasement and it has got to stop. North Korea has eaten all the carrots, now it is time for the stick.

Rather than continuing to focus on incentives that might entice North Korea to meet its international obligations, we should inform Pyongyang that it has 1 week to open its facilities to special IAEA inspections and that if it does not, the United States will simultaneously beef up defenses for our allies and punish North Korea with every means available short of war.

Some may argue that this is not the time for harsh action because North Korea decided last week to allow a routine inspection to take place. This inspection, if it takes place, will be limited to the seven declared facilities and may enable the IAEA to determine whether any illegal activities took place during the 8 months that North Korea has refused to allow even routine inspections. Keep in mind, that this single inspection is not a special inspection. It, therefore, will not be allowed to go to sites suspected of storing wastes from North Korea's reprocessing activities, sites that might

allow us to know whether or not North Korea has produced more plutonium than it says it has. In short, this inspection does nothing to erase North Korea's violation of the NPT or the threat that it presents to the United States and its allies.

A key point to remember is that North Korea's current obdurate behavior is not a recent phenomenon. From the time that North Korea signed the NPT in late 1985, until April 1992, it dragged its feet on completing a safeguards agreement with the IAEA. This behavior deepened suspicions of those who had observed that country's indigenous development of nuclear facilities that would be capable of supporting nuclear weapons development.

Following the requisite declarations by North Korea of its nuclear program pursuant to the safeguards agreements, ad hoc inspections were finally conducted in May 1992. The IAEA's findings were inconsistent with North Korea's declarations and it was clear that North Korea had lied. Additional inspections were requested, but when they took place in the fall of 1992, the inconsistencies remained unresolved.

The United States provided the IAEA with convincing evidence that North Korea had hidden nuclear sites not shown to inspectors. The IAEA then asked North Korea to allow special inspections. North Korea resisted and became increasingly belligerent. In March 1993, Pyongyang announced its withdrawal from the NPT, but then suspended the effectuation of withdrawal in June. It now says that its membership remains in suspension and it has "extraordinary NPT status."

Last summer, North Korea's flaunting of the NPT became even worse. It refused to allow fulfillment of even routine inspections. This was a step backward. As a result, camera film and batteries went unchanged and the IAEA announced it was unable to assure that illicit activities were not underway at declared facilities.

It should be kept in mind that these problems take place against a backdrop of other disturbing activities. North Korea has developed and sold abroad extended range Scuds, and is reported to be developing new versions capable of a range greater than 2,000 kilometers. It is said by the Russian intelligence service to have or be engaged in development of chemical and biological weapons.

I would note that it is reported to be working on small pox, a disease we thought we had eradicated from the earth. And it has repeatedly stated its readiness and willingness to go to war.

When North Korea opted out of the NPT in early 1993, it got the attention of the world, especially of the United States. To convince North Korea to remain in the treaty and hopefully to allow the required safeguards inspections, the United States agreed to bilateral diplomatic discussions. The value of these discussions to Pyongyang was high, given the desire of the North Korean leadership for international recognition.

Two of the initial demands made by Pyongyang were that U.S. nuclear weapons be withdrawn from South Korea and that the United States reaffirm it would not use force against North Korea. The U.S. reaffirmation was forthcoming and later in December 1991, South Korean President Roh Tae Woo announced that there were no nuclear weapons on its country's soil.

Another demand was that the U.S.-South Korean Team Spirit exercises be canceled. The United States, while not openly admitting acquiescence, has not prepared for them in 1994 and it is unlikely that they will be held.

Yet another demand was that the United States offer North Korea light water reactor technology. Washington agreed to discuss doing so.

In short, the United States has begged for over a year for North Korea to stay in the NPT and has offered bribes to get it to do what it is already obligated to do under international law. In turn for repeated concessions by the United States since mid-1992, North Korea has given nothing. It continued to refuse special inspections and has not rejoined the NPT. Making matters worse, it took a step backward by disallowing performance of routine inspections between August 1993 and the current time.

North Korea's behavior makes a mockery of the nonproliferation regime. If this is how the United States deals with flagrant flouting of the NPT rules, how can other parties to the treaty believe that the NPT provides any protection against the proliferation of a neighbor? If you were Japan, or South Korea, wouldn't you reconsider your nuclear option? If the international community and, most importantly, the United States won't take on North Korea, it is inevitable that other nations will conclude that they, too, need their own nuclear weapons to protect their vital interests.

And, there is another message for potential proliferators in the U.S. appeasement of North Korea. Much as Ukraine has used the threat of keeping nuclear weapons on its soil to gain political and economic advantage, North Korea is using its secret nuclear program for what amounts to extortion. The message to other potential proliferators can only be that nuclear weapons are good bargaining chips which can be used to obtain political, military, and economic concessions from the United States.

Equally bad for the regime is the fact that a party to the NPT can violate the treaty with few or no repercussions. It has been more than a year since North Korea's apparent violation was detected and still there have been no punitive actions by the international community. Rather, the message is that if a party violates the NPT and then seeks to withdraw from the treaty, the United States and others will try to entice the party to stay with concessions and policies of reward. When the 1995 Review and Extension Conference of the NPT occurs, parties are likely to question the value of the treaty given the ease with which some can and do violate it.

The second threat posed by North Korea's nuclear capabilities is that they may cause a war and may even lead to nuclear weapons use in war. North Korea has warned us that any efforts to stop its nuclear program, whether economic sanctions or more proactive measures, will be treated by the Pyongyang as an act of war. Because the United States has a security commitment to its ally, South Korea, and has so many troops there, conflict will inevitably lead to loss of American lives. One obvious means to limit the number of allied casualties would be for the United States to use nuclear weapons early in the conflict. Or, North Korea itself might employ weapons of mass destruction including perhaps a nuclear or

radiological weapon against the South. Use by either side of weapons of mass destruction would be a tragedy not only because of the resulting death and destruction, but because such use would erode or destroy the current taboo against use of such weapons.

And now we must ask ourselves what kind of stick should be used?

While we may continue to hold out the prospect of additional carrots, it is time for the stick. The most frequently discussed punitive action is economic sanctions. A stumbling block is that China, a permanent member of the Security Council, must agree. Also, China must actively participate in the sanctions, as it is the country most able to and likely to circumvent those sanctions. If the United States is serious about responding strongly to North Korea's proliferation, it should be willing to use renewal of Most Favored Nation status and other incentives to assure Chinese participation.

A more crucial problem with sanctions is that they are unlikely to work and may even prompt war. North Korea's economy is very poor and is not heavily reliant on international trade. The general population has a very low standard of living and is unlikely to react against any additional hardship. The military will probably survive the effects of an embargo or even a blockade for some time. North Korea has planned for war carefully, including stockpiling of critical energy, food and other supplies. And it is important to keep in mind that Pyongyang has repeatedly stated that sanctions would be viewed as an act of war. Thus, if sanctions are the preferred international measure to try to force North Korea to give up its nuclear weapons program, it would be prudent for us to prepare for war should that measure fail.

Perhaps a more effective stick would be to inform North Korea that unless it allays our fears that it has or is developing nuclear weapons, we must assume the worst and act accordingly. The Pyongyang leadership should be clearly told that it has a set amount of time to open the two suspected waste storage sites to inspection and fulfill the standing requests for information on its nuclear program. If this demand is not met, the following actions will ensue:

One, the United States will respond to any use of a weapon of mass destruction, whether nuclear, chemical or biological, with nuclear retaliation. This would reopen the option of deploying nuclear weapons in South Korea.

Second, the United States will reschedule and conduct Team Spirit exercises.

And three, the United States will seek North Korea's expulsion from the NPT along with a boycott of Pyongyang's participation in key international fora.

With regard to the latter point, it is crucial to the integrity of the NPT that North Korea not be a noncompliant party remaining in the treaty when the 1995 Review and Extension Conference takes place. Otherwise, it will be obvious to other parties in the treaty that the treaty is meaningless in terms of preventing or even punishing noncompliance.

In conclusion, it is regrettable that diplomacy has failed to bring Pyongyang's behavior into accord with international nonproliferation norms and laws. But enough is enough. A year of stonewalling

can no longer be rewarded with endless meetings. And it is very important that the routine inspections now being planned not be treated as treaty compliance; they are merely a return to the spot where we were 1 year ago. North Korea cannot be allowed to gobble more carrots without result.

Thank you, sir.

[The prepared statement of Ms. Bailey appears in the appendix.]

Mr. ACKERMAN. Thank you very much.

Ambassador Gregg. I think you are sandwiched in between two different perspectives. Let's see what you come up with.

STATEMENT OF AMBASSADOR DONALD GREGG, CHAIRMAN, KOREA SOCIETY

Mr. GREGG. I would like to just say one or two things about my own background, because what I am going to say needs to be understood from who I have been, what I have been trying to do in my career.

I was with CIA for 31 years. The first Koreans I ever met were Korean commandos I met in the war. I lost one of my closest friends of 20 years in a Chinese jail as a result of one of those shoot-downs on one of those missions. I was in Japan in 1968 when the North Koreans seized the *Pueblo*. I was part of a frantic effort to try to retaliate against that vicious act.

There was none, unless we wanted to take an act that was clearly judged to be an approximate cause of a second Korean war and so we swallowed our pride and the crew came back 11 months later. I was a close personal friend of at least half of the cabinet members blown up in Rangoon by the North Koreans.

I was in Korea when the first tunnels under the DMZ were discovered. And so I have been an opponent of the North Koreans for about 40 years. I make no excuses for them. They are extraordinarily difficult to deal with, but they are extremely dangerous.

I think Dr. Bailey has very eloquently put forth the case from the nonproliferation point of view. One of the reasons I was happy to associate myself with the report put forward by the Institute of Peace under Ambassador Solomon's excellent leadership was that it called for the appointment of a senior leader to coordinate the varying viewpoints which come together in this policy.

I have to disagree with Dr. Bailey's perspective because I think that while nonproliferation is an extraordinarily important objective, and the renewal of the NPT is coming up, that our number one objective in Korea has to be deterrence. I think if we focus on Korea through the lens of nonproliferation, and forget looking at Korea through the lens of deterrence, it is easy to come up with a perspective that somehow or other North Korea is winning and that the West is somehow on the defensive and is in a weaker position.

In fact, deterrence has worked since 1953. North Korea is isolated by all of its allies, except for China. It is in an increasingly desperate economic phase. South Korean self-confidence is higher than it has ever been. The South Koreans have not lost faith in deterrence. They have not lost faith in our alliance. And so, I think we ought not to spook ourselves.

The North Koreans, I think, have been quite astute in developing a nuclear program. It has certainly gotten our attention. I ask you to contrast our attitude toward Fidel Castro, a very long time opponent of ours who is now drifting off to irrelevance. I figure if he had had the wit to develop a nuclear program, we would be holding serious hearings about what to do about Cuba. He has not.

The North Koreans have gotten our attention and I think it deserves our attention, but I do not think it is cause for panic. The North Koreans have been probably the most isolated regime in modern history. They have maintained a siege mentality since the end of Korean war.

And it has been only most painfully and reluctantly that they have come to terms with the fact that their allies around the world have collapsed, that their own economy is not working, that they are isolated from the Soviet Union, that the Chinese are no longer giving them concessional aid. And there is a group in North Korea increasingly aware of the fact that for them to survive, they have to evolve. They cannot evolve on their own. They need aid. They need technology. Only that can come from the outside world.

We have held the line, I think, extraordinarily well in maintaining a unified wall of restraint against North Korea as we try to drive them to the painful conclusion that they can either have their nuclear program, which they cannot eat, and they cannot deliver, or they can give us certain reassurances so that we know that they have stopped this program, and we then can move forward with the economic assistance which would allow their economy to move in a different direction.

I am very much in favor of that approach. Dr. Bailey said that the North Koreans have devoured all the carrots. That is one perspective.

I would say that the North Koreans are of the mind that they have conceded quite a lot in terms of allowing the IAEA into their country. And the chairman's very strong opening statement stressed Iraq and what the IAEA has learned since Iraq. And for the North Koreans suddenly to be dealing with post-Iraq IAEA must be an extraordinarily unsettling experience for them. The IAEA is demanding more from Korea at the outset than it has ever asked, I believe, from almost any country. And this from a country which has prided itself on its isolation.

There has been backing and filling on the part of the North Koreans. There has been waffling on agreements. That will continue. This is going to be a long and painful and sometimes outrageous procedure on their part, but I think that the stakes are high enough and the dangers on the Peninsula are great enough that we need to be patient.

I was in South Korea when Congressman Solarz appeared, having been in the presence of the great leader Kim Il-Sung and having been assured by Kim Il-Sung they had no nuclear program whatsoever, that they didn't know how to do it, they couldn't afford it, whatsoever. The great leader had told Congressman Solarz something that was not true. He was angry.

He then discussed with General RisCassi, why don't we take preemptive action against North Korea? And RisCassi, who was one of our more cerebral generals, spelled out that, one, we wouldn't be

sure that we would get everything we were after, and second, it might trigger a Chernobyl-type reaction which would spread fallout God knows where, and that this would cause an immediate response from the North Korean Scuds which can range into Seoul.

The range of casualties were mentioned which caused great sobering on the part of all who heard them. The General assured us that the North Koreans would retaliate and we would be in the midst of a second Korean war. The DMZ is the most dangerous place in the world. Over 1 million people face each other every day at close range.

And so I find myself speaking out as strongly as I can against any perception that we ought to prepare to fight a war to keep the North Koreans from developing a minuscule nuclear capability which they could not deliver at this point and which would not change the military balance on the Peninsula. The North Koreans are playing their cards well. We, I think, are overvaluing the program that they are developing.

We need to remember deterrence. We deterred the Soviet Union when they had tens of thousands of missiles accurately targeted on our cities. The North Koreans, if they manufacture a bomb, could only deliver it by pushing it off the back end of a truck. They are years away from being able to deploy it on one of their missiles.

So let's not scare ourselves. Let's stay firm. Let's stay patient. Let's stay in close touch with the Chinese, with the Japanese, and with the South Koreans. Time is on our side, not theirs. And I want to end on that note of confidence. I believe in deterrence. I believe it can work with the North Koreans if we don't scare ourselves unnecessarily.

Thank you.

Mr. ACKERMAN. Thank you, very much, Ambassador. It seems like we have divergence of both opinions and approaches to this very high profile issue.

Ambassador Solomon, maybe you could tell us if you agree or if indeed there are carrots we have given North Koreans that they have consumed?

Mr. SOLOMON. There is a view that talking with them gives them a certain element of legitimacy. So just from that point of view, people have felt uncomfortable about even dealing with them. Let me go beyond that to comment a bit on this issue of carrots.

As is mentioned in the report, many of what we would consider carrots are, in the North Koreas "Institute" special perspective, poison carrots. Why so? This is a regime that desperately fears opening up its society. One of the dilemmas that we face in constructing an intelligent policy for dealing with them is that many of the things that people might see as incentives for them could be a way of opening up their society and economy, for a regime that has lied to its own people for decades, saying that they are better off than the situation in the South, et cetera, the truth is going to be a very powerfully destabilizing force.

This creates even more dilemmas for figuring out whether there is a diplomatic track here. And I would strongly associate myself with Ambassador Gregg's eloquent statement. I think everyone agrees with it, that one has to maintain a very effective deterrent posture.

Now are there carrots then to draw them in the other direction? I believe it is a real question. I also believe there are different voices within the North Korean leadership.

Mr. ACKERMAN. You said it is a different question if there are carrots that would draw them?

Mr. SOLOMON. Correct. I am not at all sure that the things that we would say are incentives to these people because it would open up their society to outside influence and they desperately fear that.

Mr. ACKERMAN. But other than talking to them, and I will ask Dr. Bailey if she thinks that is a carrot, are there other carrots, other things that we have given to them?

Mr. SOLOMON. I would say at this point in time you can't really point to things that they have acquired through discussions that have in any way eased their dilemmas, the problems of their economy and so forth.

Mr. ACKERMAN. Dr. Bailey, what carrots have we given them?

Ms. BAILEY. Those that I listed included the removal of the announcement by the South Korean President that all nuclear weapons were removed from his country's soil, the proposal to have joint inspections of one another's nuclear facilities and other facilities, and the——

Mr. ACKERMAN. That is a mutual exchange, right?

Ms. BAILEY. Yes. This is something that the North Koreans wanted. And the other one is that——

Mr. ACKERMAN. You consider that a carrot to the North and not a wash between North and South?

Ms. BAILEY. Yes, because the South Koreans are not developing nuclear weapons. It is the North Koreans that are.

Mr. ACKERMAN. Well, the fear on the part of the North Koreans is not whether the South is developing nuclear weapons, but whether they can acquire them.

Ms. BAILEY. The fear on the part of the South Koreans and the United States is that the North Koreans are developing or already have developed nuclear weapons and this relates directly to what Ambassador Gregg was saying, that they are preparing to be able to produce far more plutonium than they have thus far. They have currently a very small reactor capable of producing only a limited quantity of plutonium, yet they have coming on line a much bigger reactor and have a tremendous reprocessing capability. Reprocessing is the separation of plutonium from spent fuel or irradiated fuel, and so the question is not just what they have done in the past, but what they are on the brink of doing. So it is a much larger question.

Mr. ACKERMAN. We are trying to motivate the North Koreans, and I guess Pavlov did it two ways. He had positive and negative reinforcement. You put mice in little mazes and at the end of the maze you put some cheese, and that is what they like, so they run to get the cheese, because that is what we want them to do. So I guess the cheese becomes today's carrots, which is what we are talking about. If they don't move fast or in the right direction, we sort of give them a little prod, some electrical impulse when they do something wrong, I guess that is the term, the stick, that we use, and that is the negative reinforcement.

Now, how we motivate the North Koreans, the argument is whether we use the electric prod or the cheese for those little mice, or the carrot and the stick, its all well and good; but if you are trying to motivate a charging rhinoceros in a bigger maze, it might work, but you might also have second thoughts if you were also in the maze.

Ms. BAILEY. We are currently faced with a situation in which North Korea signed an international treaty. It has obligations under that treaty, so we are trying to——

Mr. ACKERMAN. But your third point is to throw them out of the treaty.

Ms. BAILEY. If they don't comply, yes, and they currently are in noncompliance and have been for well over a year, and so——

Mr. ACKERMAN. Did they not ask to be out of the treaty?

Ms. BAILEY. They formally withdrew and then put themselves in——

Mr. ACKERMAN. We asked them to stay in?

Ms. BAILEY. We begged them.

Mr. ACKERMAN. Should we not have done that?

Ms. BAILEY. I think it was appropriate at the time to negotiate to entice them to stay in the treaty and to begin talks as we did, but the time for that policy of continuing talks, is over. They have dragged their feet now for well over a year and there has been no progress whatsoever. In fact, there has been a fall back from progress, and so I think that we have already proven that the negotiating process has not yielded anything. We should change policies, should change tactics.

Mr. ACKERMAN. All right. So we now throw them out of the treaty?

Ms. BAILEY. We should not allow them to stay in the treaty if they aren't in compliance.

Mr. ACKERMAN. I am not sure that is any different than throwing them out of the treaty.

Ms. BAILEY. It is a technical distinction.

Mr. ACKERMAN. A distinction without a difference.

Ms. BAILEY. But the treaty has no language in it that provides for expulsion of a member.

Mr. ACKERMAN. If they give 60 or 90 days, whatever it is, notice, and there are 2 days left on the notice and they opt to negotiate a special status of being in a state of limbo, they have suspended their notification of x amount of days with 1 or 2 days remaining, so all I think they have to do is give 1 or 2 days notice that the remaining clock is running, restart the clock, and they are out; but you would have them out of the treaty if they don't comply within 2 weeks?

Ms. BAILEY. That is correct.

Mr. ACKERMAN. If we can just follow that through to your logical conclusion, you throw them out of the treaty, you reschedule Team Spirit, which is from their point of view a confrontational, in-your-face kind of military exercise of "let's practice how to invade North Korea." I don't know if I have accurately described it.

Mr. GREGG. It is a defensive exercise in resupply. They always see it as a—we never have meant it as a drill for invasion. They see it in that light, but it is a——

Mr. ACKERMAN. Yes, I said from their perspective.

Ms. BAILEY. We try to be very transparent about it. My point actually is very close to what Ambassador Gregg said. He argued that we continue along the line of deterrence.

In the past, the North Korean threat has been conventional and we have essentially deterred any aggression from them with conventional means, with lots of troops on the ground. Now they have gone nuclear, or are very close to it, and what I am suggesting is that we emphasize the deterrent of our own capabilities.

Mr. ACKERMAN. You are exercising—and you have three points on what we do. One is throw them out of the treaty. We will respond to any use of a weapon of mass destruction, nuclear, chemical, with nuclear retaliation.

Ms. BAILEY. That is correct.

Mr. ACKERMAN. I think is that basically what President Clinton said at the DMZ upon returning from the G–7 meeting in Japan and stopping by to yell that across the border. He told them, as I recall basically, that if you guys cross this line that "we ain't going to recognize your country anymore." Does that accomplish your number one?

Ms. BAILEY. No, it doesn't, because what we have not done is to reinforce exactly what he meant by that. In fact, there have been a lot of people walking it back.

Mr. ACKERMAN. What should he have meant by that? Maybe you can tell us.

Ms. BAILEY. I didn't say he—you are twisting it.

Mr. ACKERMAN. I don't mean to twist it. Just tell us what we should say to them.

Ms. BAILEY. Officials subsequent to President Clinton's statements have mitigated it somewhat, and it is not clear, it is not on the books anywhere that a use of any one of those types of weapons of mass destruction by North Korea would constitute a threat to which we would respond with nuclear weapons.

Mr. ACKERMAN. OK. Just allow me, my colleagues, the latitude before turning it over to everybody else. On a visit to North Korea, I, too, had the opportunity to meet with Kim Il-Sung for some 2½ hours, and he indeed asserted to me the same thing that Ambassador Gregg relayed as far as what he told former Chairman Solarz, and that is the complete denial of having nuclear weapons, the ability, the money, the resources, the desire, et cetera. The truthfulness of that statement, I am sure, will be presented to him upon his entry into the Pearly Gates, or lack thereof.

Let us suppose that indeed he is lying and let us suppose that, indeed, we do say in the explicit way that you have said, "what we are going to do." Let us assume that your words, as strong as you would have them and more sharpened than either mine or President Clinton's or anybody else's, do not have the desired effect. What is your next step?

I don't understand how this motivates him in any other way. Do we do a first strike?

Ms. BAILEY. Absolutely not.

Mr. ACKERMAN. We don't do a first strike?

Tell me how you get the guy to move.

Ms. BAILEY. We have already reached a situation where North Korea is not moving, and they have refused to move in terms of responding to the incentives that we have offered.

Mr. ACKERMAN. Do we threaten war?

Ms. BAILEY. I think what I have argued here is that we threaten to respond to them in a negative fashion. You see, the litany of things——

Mr. ACKERMAN. But if they don't take an affirmative action, that doesn't trigger our response, so they are in control of the actions. You are saying that you are going to respond nuclear to nuclear, and they have no intention or decide to withhold and don't do any nuclear strike or any other strike, and they just go on their merry way, minding their merry old business, not having anything to do with anybody because nobody has anything to do with them, and continue on their nuclear program. How do you stop that? That is what you are trying to stop.

Ms. BAILEY. It is what you are trying to stop.

Mr. ACKERMAN. How do you do it?

Ms. BAILEY. There is no way to force North Korea.

Mr. ACKERMAN. Do you do what the Israelis did to the Iraqis in 1981?

Ms. BAILEY. Absolutely not. That is very unlikely to succeed. That would result probably in catastrophe. There is no way physically or otherwise that we can force North Korea to back off its nuclear program. What we have to do is raise the cost.

Mr. ACKERMAN. Could you say that again? There is no way that we can get them to back off physically?

Ms. BAILEY. Physically force them to back off?

Mr. ACKERMAN. Physically force them to back off?

Ms. BAILEY. No, there isn't.

Mr. ACKERMAN. Well, if you can't physically get them to back off, then there has to be a negotiated way of doing it.

Ms. BAILEY. I disagree. I think we have already tried negotiation and enticement. Now it is time to——

Mr. ACKERMAN. Tell me step four.

Ms. BAILEY. If this fails?

Mr. ACKERMAN. If negotiations fail, you throw them out of the treaty, and they still don't do it, you are not going to have a pincer movement or any other kind of measured initiative on our part.

Ms. BAILEY. I think you are asking me what the bottom line is.

Mr. ACKERMAN. Yes. What is the bottom line?

Ms. BAILEY. If North Korea has nuclear weapons, we must deter that nuclear force.

Mr. ACKERMAN. I like that. How?

Ms. BAILEY. We must deter it with our own nuclear capability and try to further isolate it.

Mr. ACKERMAN. What do we do? If we are not going to have a first strike and if we are not going to talk to them, I fail to see what the plan is.

Ms. BAILEY. The cost of their use of any weapon of mass destruction should be so high that it deters them from ever doing that.

Mr. ACKERMAN. Deters them from using it?

Ms. BAILEY. Absolutely.

Mr. ACKERMAN. But doesn't prevent them from developing it.

Ms. BAILEY. We cannot deter them from developing it.

Mr. ACKERMAN. It is your testimony that there is no way from deterring them from furthering their nuclear program?

Ms. BAILEY. You can offer them disincentives, but it may not work. I am responding to you that maybe you are right, maybe it won't work, but it could matter to North Korea whether or not we decide to treat them as a nuclear weapons state, it could matter to them whether we try to throw them out of the treaty or disallow them from participating in international fora. Maybe they will be so unhappy with that prospect that they will respond. They seem to understand violence and tough behavior. Maybe it will work.

Mr. ACKERMAN. Did you want to respond, Ambassador or Ambassador?

Mr. GREGG. Well, I think I would like to maybe raise a couple of other points that bear on this. Our South Korean allies have more experience in dealing with the North Koreans than anybody. They are still Koreans. They feel that we are on the right track.

The North Koreans are trying desperately to somehow legitimize what has somehow been a catastrophic failure. They want to save face. They want at some point to be able to say to themselves and their people, the great leader was right, and here we are moving forward. They desperately do not want to have to admit to themselves that they have been totally on the wrong track.

The South Koreans are very much concerned and very much aware of this. This is why they sort of said to us can you hold off on the Patriots for a little bit because they felt that the Patriots, which are clearly a defensive weapon, would have been seen by the North Koreans as sort of a symbolic slap right after they had made one of their halfway lurches toward some sort of agreement to inspections, so I think that we are emerging, maybe there are some areas where we agree.

I think that if the choice is made absolutely stark and clear to the North that they can have their bomb if they want to build it, but they cannot evolve in any other way, I think eventually the moderate group which I believe is slowly emerging in the North will have more clout, but that confrontation can be extraordinarily dangerous given the track record which the opening statement which Chairman Lantos read reminds us of, so I think patience, firmness, and dealing from strength with our allies is the way to go.

Mr. ACKERMAN. Mr. Solomon, Ambassador Solomon.

Mr. SOLOMON. I want to comment again on this issue about deterrence and disincentives for proceeding down the nuclear road. I think I disagree with Ms. Bailey. I do not think it is an all-or-nothing situation. One of the reasons that you have to analyze the state of their nuclear program is that they are, in fact, in a fairly early stage of development. As they heighten the threat to our South Korean allies, to our troops in the South, and to Japan of their exploding a nuclear device, which they have not yet done as best we know, of further testing and then deploying a longer range missile delivery system, of other destabilizing actions, we will find that the willingness of our allies and collaborators in this coalition to impose further costs in a kind of step-by-step manner is going to increase.

Just to give you one example. A good deal of money and some technology flows into North Korea from Japan where there is a large ethnic Korean community. I am told that the Japanese Government would find it difficult in current circumstances to cut-off that flow of money and technology. However, if the North Koreans, for example, were to deploy this longer range missile which could hit Japanese soil, and if it was clear that it was armed with a nuclear weapon, my belief is that the Japanese public and government would have an entirely different attitude. The willingness of the Japanese to impose serious economic sanctions would increase. I could give you other examples.

I believe there is a gradation of incentives short of going to war that will have a significant impact on North Koreans and will constrain significantly their development of these weapons. Staying where they are, as I said earlier, directs then toward a slippery slope where their economy continues to decline, in which case maintaining their current posture, in our assessment, is a losing posture.

Mr. ACKERMAN. Chairman Lantos.

Mr. LANTOS. Thank you, Mr. Chairman. I find all the testimony extremely interesting with some very serious question marks with respect to all three of you in terms of the position you take. If I read you correctly, Dr. Bailey, early in your testimony you referred to U.S. appeasement of North Korea, correct?

Ms. BAILEY. Yes.

Mr. LANTOS. When in your judgment did this policy of appeasement begin?

Ms. BAILEY. When we first began to meet with North Korea on the issue at their insistence. Previously we had declined to do so at any official level, and then we agreed to have official meetings, despite the fact that they did not budge.

Mr. LANTOS. When was this?

Ms. BAILEY. I can find it for you in a minute.

Mr. LANTOS. Give me a ballpark.

Ms. BAILEY. In——

Mr. LANTOS. Can you help her out, Ambassador Gregg?

Mr. GREGG. Yes. I think it was probably at the very end of the Bush administration that the first high level talk was held with Under Secretary Kantor.

Mr. SOLOMON. I participated in those talks. I will be glad to comment on that.

Mr. LANTOS. Please. When were those meetings?

Mr. SOLOMON. Those were in January of 1992.

Mr. LANTOS. In January of 1992, you would accept that date?

Ms. BAILEY. Yes.

Mr. LANTOS. So what you are saying is that the past administration, the Bush administration and the current administration, the Clinton administration, have both pursued a policy of appeasement vis-a-vis North Korea? That is basically your testimony?

Ms. BAILEY. Yes, it is, with the one qualification, that I did say that I think it is appropriate to first try the dialogue. I saw it as a boon to the North Koreans; it was doing what they wanted. And it was the right thing to do at the time, but because 2 years have gone by without result, I think it is time to end that.

Mr. LANTOS. Yes. Well, that is fine, but you are saying that the policy of appeasement has now been conducted for 2 years?

Ms. BAILEY. Yes, sir.

Mr. LANTOS. If I understood you correctly, in your testimony you suggest that we should give them a 1 week ultimatum?

Ms. BAILEY. Yes.

Mr. LANTOS. What would that ultimatum state?

Ms. BAILEY. That if the North Koreans did not allow IAEA inspectors into the two sites that the IAEA has requested entry to, the waste storage sites, suspected waste storage sites, that we then would undertake specific actions in response.

Mr. LANTOS. Spell them out for me.

Ms. BAILEY. The first one, if I could go back to my specific remarks, the first is that the United States will respond to any use of a weapon of mass destruction, not just nuclear, but chemical and biological as well, with nuclear retaliation. This would reinforce the deterrent option.

Second, the United States——

Mr. LANTOS. By the way, forgive me for interrupting you.

Ms. BAILEY. Please.

Mr. LANTOS. What is your judgment that if North Korea were to use weapons of mass destruction tomorrow, would there be retaliation with weapons of mass destruction?

Ms. BAILEY. I think there would be a quandary in Washington because it has never been clearly decided upon in the Pentagon or anywhere else what to do about chemical and biological. I think if it were a nuclear or radiological weapon, it is more clear cut. There probably would be nuclear retaliation, although I certainly am not privy to the planning on that, but in the case of biological or chemical—or radiological, too, actually—there has been no clarification of what U.S. deterrent posture is.

Mr. LANTOS. There has been no public statement. What is your judgment what would happen?

Ms. BAILEY. My judgment of what would happen is we would sit tight and not do anything, but that is my personal guess.

Mr. LANTOS. I understand. Now, you are clearly recommending what I can accurately describe as a hard-line policy; is that correct?

Ms. BAILEY. I thought it was rather medium. I have heard other people say we should go in and punch them out.

Mr. LANTOS. I am not saying this in any derogatory fashion because my judgment is that—and I stated this publicly and privately at the highest levels 22 months ago, that had there been a credible threat of force by NATO in the case of Yugoslavia, 200,000 people would be alive today and a 1,600,000 would not be refugees, and we wouldn't have had the bloodbath and the nightmare of the breaking up of Yugoslavia.

So I have no objections to hard-line policy, but I merely want to see where that policy leads in this instance.

Ms. BAILEY. My answer is an honest one. One could view my position as more hard-line than those who are sitting to my left. However, I have been in meetings, discussions, about the North Korean problem where people present at the meeting have been actively advocating undertaking clandestine operations, undertaking phys-

ical measures to destroy the facilities and other things that I would consider far more hard-line than my own.

Mr. LANTOS. I am sure there are more hard-line policies, but let's just go back to the details. The first thing you would want is a U.S. policy statement that a use by North Korea of any weapon of mass destruction would immediately bring with it nuclear retaliation by the United States?

Ms. BAILEY. Yes.

Mr. LANTOS. What is your second recommendation?

Ms. BAILEY. That the United States will reschedule and conduct Team Spirit exercises. Those are defensive exercises.

Mr. LANTOS. I am fully aware of what Team Spirit is, and I also understand the North Koreans do not wish to have Team Spirit, but since they are purely defensive, you do agree with me that while it may have some psychological ramifications, it certainly would not change the status quo, would it? It would have no impact on the nuclear program, on the biological program or the chemical program. We would proceed with Team Spirit and Team Spirit would be conducted, and then it would be over.

Ms. BAILEY. A lot of international relations is dependent on symbols, and this is a symbol.

Mr. LANTOS. I understand that. Let's presume we would proceed with Team Spirit. What is your third recommendation?

Ms. BAILEY. That the United States will seek North Korea's expulsion from the NPT along with a boycott of Pyongyang's participation in international fora, some international fora.

Mr. LANTOS. Well, let's assume they are expelled from the treaty. What would be the practical ramification of that?

Ms. BAILEY. That relates to the point that I made during my testimony that we have to worry about the integrity of the NPT. I don't think that that particularly——

Mr. LANTOS. I understand that, and I think that is a worthy goal. I am asking, if I may, what practical ramification would that have on the ground for North Korea, being expelled?

Ms. BAILEY. If you were asking whether North Korea would stop its nuclear program as a result, I won't argue that. What I am arguing is that one needs to build a set of disincentives that will make it uncomfortable for North Korea to continue along this path.

As I said before, there is no measure we can undertake that will guarantee that they do not go nuclear, short of destroying the nation right now.

Mr. LANTOS. What about Ambassador Gregg's point that even if they, let's stipulate, have a nuclear weapon today, which is a possibility, they are in no position to deliver it, and were they to deliver it, they would be pulverized.

Ms. BAILEY. I would like to make two points on that because I consider that a crucial question.

Mr. LANTOS. It is.

Ms. BAILEY. First of all, the issue is not just North Korea versus South Korea. The question is whether or not the entire peninsula goes nuclear and then whether Japan goes nuclear and domino, domino, domino.

Mr. LANTOS. I fully understand that.

Ms. BAILEY. So that is the first issue.

Mr. LANTOS. But answer the question that I am raising. Suppose we stipulate that a new intelligence finding comes in tomorrow, we no longer have any doubt that they have gone nuclear, we have now established that they have gone nuclear, do you accept Ambassador Gregg's view that they have no means of delivery?

Ms. BAILEY. No, I do not.

Mr. LANTOS. You believe they do? You think their missiles are such that they could be nuclear equipped and they could deliver a nuclear bomb on Seoul or on Tokyo?

Ms. BAILEY. I didn't say their missiles would be the avenue. You asked me did they have a deliverable nuclear weapon or capability. I think that clandestine delivery is just as big a threat as a missile delivery.

Mr. LANTOS. Let's stipulate you are correct. Now, let's pursue that a bit.

Ms. BAILEY. One more remark on missiles?

Mr. LANTOS. Please.

Ms. BAILEY. Missiles could be used currently, though, for delivery of radiological weapons.

Mr. LANTOS. Absolutely.

Ms. BAILEY. OK.

Mr. LANTOS. Now, several of you, at least two of you made the comment about the irrational aspects of North Korean leadership—Ambassador Gregg did. I don't know if you did or not. But this remark is often made. You have stated that they are on the wrong path and there is no way to get off that path until they change it. Are we dealing now with the danger of a wholly irrational move, because clearly the use of weapons of mass destruction in this context would be from a very narrow North Korean view utterly irrational? The penalties would be overwhelming.

Ms. BAILEY. I do not believe that it would be an irrational act using the formal definition of rationality because from the North Korean perspective they are up against the wall, they are isolated, they view things in terms of very tough measures, and violence is not anathema to them.

Mr. LANTOS. Well, there is a difference with violence and the use of weapons of mass destruction.

Ms. BAILEY. Yes, there is. But if you take Saddam Hussein as the example, I mean, here is a man who was willing to use chemical weapons against his own people. By most Western standards that is not a nice thing to do, but it was a rational act from his point of view. He had a problem domestically, these people were really causing him hardship politically in the country, so it is rational from his point of view that he would commit genocide in order to solve that problem.

In other words, if you look at his mind frame, it is a rational act. But from our point of view, it is the work of a madman virtually. It is the work certainly of a very unethical man.

Mr. LANTOS. Well, yes, I am not in dispute over the ethics involved. Why do the two countries, South Korea and Japan, which clearly in a geographic and functional and realistic framework have the most to fear from North Korean developments of a military nature, why do they seem to be so much more relaxed than your testimony would warrant?

Ms. BAILEY. I think that that is a total misperception. I was at the IAEA in Vienna a couple of weeks ago, and I talked to Japanese officials who were present there and I asked them, what is your official government view on what to do about North Korea, and their response was if we don't find out soon with regard to the suspect facilities what North Korea has been up to, we will be looking to the United States to do something. I said, do what? And, of course, he said that was classified, and he couldn't really talk about it.

Mr. LANTOS. There is nothing classified about thinking. I had dinner with the Deputy Prime Minister of Japan last week and with the Ambassador. I raised the issue of this $1.5 billion that North Koreans carry over in little suitcases all the time. Clearly they would have very little difficulty stopping that if they wanted to stop that. I mean, if there is a simple task, it is to see to it that cash in large bulk is not taken out of the country, you don't have to be a rocket scientist in 1994 to prevent that from happening.

They are not doing it. Why not?

Ms. BAILEY. If one were to believe press reports, for example, the Far Eastern Economic Review——

Mr. LANTOS. What is your judgment?

Ms. BAILEY. I think it may have some merit. The argument is there is a great deal of potential political dirt to be raised up if there is a crunch on the some 200,000-plus Korean residents in Japan, that there are a lot of political ramifications for internal politics if the crunch comes, and so it is anticipated the Japanese politicians are not keen to clamp down on the Korean community.

Mr. LANTOS. Even at the risk of being the target of a nuclear strike?

Ms. BAILEY. It may come to them soon that that is the tradeoff, and if indeed international sanctions are the route to be taken, I think you will see that the Japanese will cooperate. They have to be shown that is the route we want to take. They are looking to the United States for leadership. So far we aren't doing much.

Mr. LANTOS. Ambassador Gregg, I want to pursue a somewhat different line with you, if I may. If the carrots that are feasible to be offered by the United States and other members of the democratic community are all of a nature that would open up North Korean society to Western penetration, and basically those are the only carrots we are capable of offering—trade, investment, cultural contacts, all of the things which presumably are anathema to a police state, a rigidly dictatorial society—is it realistic to view these as carrots, and why would the current leadership wish to open itself to these carrots which are so profoundly subversive to their very existence?

Mr. GREGG. It is an excellent question, and the answer lies in I think what the Chinese have been saying to the North Koreans. When I was in Seoul the newly accredited Chinese Ambassador to Seoul had spent 15 years in Pyongyang, is fluent in Korean, and is their leading Korean expert.

He made it clear that during Kim Il-Sung's late 1991 visit to China they had said to him that the way to open up your economy while still maintaining control is to do what the Chinese have been doing, and that is have special economic zones where a special set

of rules apply, but you still keep ideological control in your hands in the center, and it was shortly after that visit to China that the North Koreans began to talk about the Tumen River as an area open to international development. There is another area closer to Pyongyang where they have met with some of the South Korean industrialists and were described as being extremely anxious to have obsolescent textile or foot gear manufacturing machinery from South Korea brought, set up, so that North Korean workers could be employed.

Now, this is very attractive to both the South and the North, but I think the answer to your excellent question, Mr. Chairman, is that the Chinese, who have maintained credibility with the North, which I think is in the interests of all of us, have given the North a way out of their dilemma by saying to them do what we are doing, and I think the great leader has taken their advice. But I think there is a tug-of-war between the hard-liners and those who want to see some sort of evolution. And hard-liners are looking for evidence that if they give up the nuclear option that they really get something for it; the pragmatists are trying to accumulate evidence of the benefits which following their line will bring, and it is very murky how these two lines of thought interact. But I think they are beginning to.

Mr. LANTOS. I have one final question. We have been focusing on nuclear weapons and other weapons of mass destruction, but clearly one of the threats North Korea poses for the international community is the export of missiles. Is there any policy that any of you would recommend that might deter them from selling their missiles, both current and the ones they are in the process of developing?

Ms. BAILEY. I, for one, would advocate internationalization of the INF treaty, which bans missiles of the range we are talking about. North Korea may not sign up to it, but if enough nations did so, it might create some political pressure on them to come into conformance with the treaty.

Mr. LANTOS. Do you really think that political pressure or moral suasion is a very effective tool in this context?

Ms. BAILEY. It is kind of like a web. It depends on how many strands you can bring to bear on the giant you are trying to hold down; the more strands the better.

Mr. LANTOS. Well, it so happens that all the strands have not prevented the Chinese from selling their long-range missiles, despite the fact that they are the full beneficiary of the Most Favored Nation treatment, which some of us have opposed and are continuing to oppose very vigorously. So the Chinese are continuing to sell their missiles to Pakistan and Syria and Iraq and Iran. That is a marvelous example for North Korea to follow. So the moral suasion argument you struck out on, as far as I am concerned.

Ms. BAILEY. I totally concur, Mr. Chairman, and I can't hold myself back from suggesting that is why we need missile defense.

Mr. LANTOS. All right. Ambassador Gregg, what about the missile export issue?

Mr. GREGG. Well, I would be very much in the hard-line camp on that. I mean, I think——

Mr. LANTOS. What does hard-line camp mean?

Mr. GREGG. Well, I think you normally know when they are on a ship. We recently had a rather embarrassing experience with the Chinese where we tracked and stopped a ship that we thought—and I would advocate doing that with the North Koreans.

Mr. LANTOS. Ambassador Solomon.

Mr. SOLOMON. I agree that the Chinese have a double-sided involvement in this situation. They clearly do not want to see a war on the peninsula. They do not want to see proliferation there, but they themselves are aiding proliferation elsewhere. One thing that seriously concerns me is the apparent collaboration of China and North Korea with Iran on both the nuclear and missile technologies. This has to be the subject of discussions on the possible use of sanctions against both countries.

Mr. LANTOS. So that might be an argument for Dr. Bailey's position?

Mr. SOLOMON. I have no doubt that we have to maintain deterrence, and that sanctions have to be brought to bear when certain thresholds of threatening activity are crossed.

Mr. LANTOS. Thank you, Mr. Chairman.

Mr. ACKERMAN. Mr. Rohrabacher, would you like to ask a few questions?

Mr. ACKERMAN. We will come back.

Mr. ROHRABACHER. I have 2 minutes, because I won't be able to come back. I want to extend my greetings to Ambassador Gregg who served with me in the White House and served his country with great distinction over many, many years in different positions.

And my accolades to you, Mr. Ambassador. We used to basically get up very early in the morning and be at the same breakfast table when we worked at the White House. We were the only ones there doing our job that early in the morning. That is because I was a slow reader and had to get there early and it is because he wanted to get there early because he was doing a good job.

Anyway, the questions are, Ambassador Gregg, are we up against basically—I mean, people keep saying North Korea hasn't done this. Aren't we really just talking about a couple of people who may be irrational human beings when we are talking about North Korea? Isn't that policy made by just the great leader and his son?

Mr. GREGG. I think policy has been made by a very small group of people. They have been—they have behaved viciously in the past. The last—but there has been, since 1987, there seems to have been something of a change, but, yes, the policy in the North is made by a small group. I think there are indications that with the succession there, something is amiss.

Mr. ROHRABACHER. Was there an accident with the great leader's son, the beloved leader?

Mr. GREGG. That is a rumor that first came out——

Mr. ACKERMAN. "Dear leader", because we have a lot of terms of endearment.

Mr. GREGG. That came out of China some time ago, it has not been corroborated, but the interesting thing is that Kim Il-Sung's younger brother has been brought back, and there is murky indications that he may succeed the great leader in some way and that Kim Jung-Il's role is being redefined.

Mr. ROHRABACHER. All I would like to say is that I agree totally with Dr. Bailey's point if anything underscores the need for a space-based or just a missile defense system, it is that, and I appreciate you making that point, and I wish every Member of Congress could understand that because I think it is a matter of religion for certain people in Congress here to have to oppose missile defense, otherwise they have to agree Ronald Reagan was right and oh, my gosh, how horrible that would be that Ronald Reagan was right about something.

And finally, let me just thank all of you. I appreciate especially your testimony, Mr. Ambassador. I do believe we need to be prudent, as well as careful right now, and we could run off and commit some actions now but perhaps we don't have to be the ones. From your testimony, it seems the Japanese are waiting for us to do something.

Well, it is plain we don't live in a world where everybody has to wait for us to do it from now on. Maybe the fact that when the cold war is over, some of these challenges have to be met by action on the part of the Japanese and the Koreans, and maybe it is prudent for us to wait and see in some of those situations.

That is all I have to say.

Mr. ACKERMAN. More to be said on that immediately upon our return, you can be sure. We will recess for a few moments.

[Recess.]

Mr. ACKERMAN. There will be another vote in about half-an-hour. We will see where we are at that point. The subcommittee will resume.

Let me start by asking a different question. Ambassador Solomon, you had stated in your testimony that you would advocate for a—how did you phrase it?—a special——

Mr. SOLOMON. Special coordinator.

Mr. ACKERMAN. Coordinator for North——

Mr. SOLOMON. For dealing with the North Korean nuclear challenge.

Mr. ACKERMAN. Now, is the State Department, in your estimation, not doing an adequate job or appropriate job?

Mr. SOLOMON. We have tried to make our proposal forward-looking, and, frankly, I have discussed it with a number of people. It is not so much a matter of being critical as of knowing from my own experience how difficult it is to coordinate an issue that touches so many government agencies.

When I used to run policy coordinating meetings at the assistant secretary level, you would have about six or seven different government offices represented in the room. You get 30 or 40 people trying to find a common position, and it is very tough. The perspectives of the Arms Control and Disarmament Agency, the Defense Department, various offices within the State Department could understandably, differ significantly, as the officials carry on about their duties and meet their responsibilities.

Therefore, in my view you need someone with sufficient authority to be able to pull things together and say, all right, we have heard everybody's views and here is where we come out. Secondly, this is an issue that requires real intensity of effort, and the relevant offices are dealing with many other issues.

Therefore, a special coordinator has the advantage of being able to devote more time on these complexities. I would give as an example an instance when I was with the special negotiator on the Philippine bases.

It was an issue that again touched a number of offices. The Pentagon, State Department, and others felt it was rather wise to have a special negotiator as I was seized with the Cambodia issue. A similar kind of logic applies here.

Mr. ACKERMAN. You talk about a negotiator. Isn't that Mr. Gallucci's job? Isn't he the special negotiator?

Mr. SOLOMON. He has assumed that role.

Mr. ACKERMAN. Does he have any other responsibilities or duties?

Mr. SOLOMON. Assistant Secretary Gallucci has many other responsibilities. Our proposal calls for a special coordinator initially to emphasize coordination within the U.S. Government and with our allies and friends on this issue. If the North is responsive in a way that justifies an intense, ongoing negotiation, then this individual certainly could play that role.

One of the things that we were concerned about was lack of clarity in the public mind about where we were headed on this issue. Again one of the jobs we would see the special coordinator performing is making sure that the administration's policy was clearly articulated, which I think there is some concern it has not been.

Mr. ACKERMAN. What would you like to see more clearly? Is the problem the articulator or the lack of clarity in the policy?

Mr. SOLOMON. I would say that the administration continues to work on formulating a policy, and my sense is they are headed in very much the direction that we have outlined. We have held discussions over these last 5 months with a range of officials, and I feel they are headed in the right direction. But they still have distance to go, and then they must explain it to the public.

Mr. ACKERMAN. If the administration's policy were more clearly articulated, would you need a special coordinator in your opinion?

Mr. SOLOMON. For the reasons I have indicated, I think there is some value in it. That is, you still have a job of coordinating with the other governments. This is going to be an ongoing and intense process, particularly if it gets into the negotiating stage.

Again, I have seen a number of instances. Let's take the role that General Vessey played on the POW-MIA issue. It required a very intense effort focused on a very politically loaded issue, one with very serious consequences. So that is the model and the experience that not only I, but I think a number of members of the group felt warranted this conclusion.

Mr. ACKERMAN. Ambassador Gregg, do you think it is necessary to go outside the normal channels of the State Department?

Mr. GREGG. I think it wouldn't hurt at this point. I think the administration is on the right track. I think on a couple of occasions their enunciation of what they thought they had accomplished was undercut by subsequent events which caused some people to cast more doubt on the policy than should have been cast, but the person who enunciated what had been done wasn't the person who had actually done the negotiations, and I think this is a kind of

complicated issue where continuity of focus and some historical perspective would be very helpful.

Mr. ACKERMAN. Dr. Bailey.

Ms. BAILEY. While I would agree that the State Department has not been terribly focused on this issue and that some people have treated it as a part-time job which was a necessity from their point of view, I don't agree that the appointment of a special coordinator would be a very good thing to do at this point in time.

Mr. ACKERMAN. I am sorry. Do you mean the administration viewed it as a part-time job or those performing the functions saw their role as part-time?

Ms. BAILEY. I think it would have to be both. If the administration wanted somebody to spend full-time on it, they would have asked somebody to spend full-time on it, but this ignores the IAEA's role so far. The IAEA has been very intensely focused on it.

The policy is clear cut, getting the special inspections done, and having safeguards implemented, and so there is no policy development, per se, to be done. There is a requirement under international law. To try to coordinate with other governments if that is the principal focus, to me that smacks of trying to multilateralize the process at this point, and that is not what we need. We need for the United States to take the leadership position in this critical issue.

Mr. ACKERMAN. Do you think the problem is the coordination with South Korea and Japan or is the problem——

Ms. BAILEY. There is no problem in coordinating with South Korea and Japan. The problem is absence of a response from North Korea.

Mr. ACKERMAN. You don't need a full-time person to coordinate with Korea and Japan to get them in sync with our own thinking?

Ms. BAILEY. A full-time coordinator would not make a difference in North Korea's behavior at this juncture. It would just be one more step of the United States saying let's negotiate a new phase, give the negotiator time, the coordinator time, and we would have another 6, 8, 12 months of negotiation while North Korea brings on its new reactor to produce more plutonium. What is the point?

Mr. ACKERMAN. OK, let's get back to the point then. With or without a special negotiator, if North Korea continues to bring on line its larger, newer nuclear reactor, I am still not clear as to what you would have us do. I know we have been down the road a couple of times. It seems to me that if we are not going to have a first strike, then what you are proposing is that we raise the level of the rhetoric and make the stakes higher, is that it?

Ms. BAILEY. We need to build a set of disincentives for North Korea to do this, but to be prepared for failure. I think, in reflecting on our earlier conversation, something that I failed to stress and I should have is that what we are talking about here is not just North Korea and what North Korea thinks, but what the rest of the world thinks. If we don't punish North Korea for doing this, other people will assume that it is just fine for them to do it as well, so there has to be some negative repercussion for this behavior.

Mr. ACKERMAN. I am going to take a break here to do what I think is the last vote of the day and come back, and I am going to ask you to think about what those things should be that we should actually do rather than say. Because the problem is that we have just been saying things, but where is that stick?

Do we just get a bigger stick each time or do we actually use the stick?

[Recess.]

Mr. ACKERMAN. The subcommittee will resume.

Without objection, we will place Congressman Leach's statement in the record at the appropriate place. And the record will also indicate, even though he did not get to ask any questions before leaving, Congressman Smith was indeed here.

[The prepared statement of Mr. Leach appears in the appendix.]

Dr. Bailey, I think we were trying to see what the next step would be after the warnings.

Ms. BAILEY. If North Korea refuses to respond to disincentives, it will continue its nuclear proliferation unabated because there is no way physically that we can stop them producing more nuclear weapons if that is what they want to do. And we will be faced with a situation where we just have to deter it.

The question before us now, is whether we should——

Mr. ACKERMAN. We would just have to deter it. Is that what you said?

Ms. BAILEY. We would just have to deter it. That is right.

Mr. ACKERMAN. Maybe I just can't get an answer. We just want to deter it now and presumably the things that we are saying and doing and threatening, if you will, are insufficient to get the desired result. If, indeed, we do say and do all of those things that you have suggested, and then some, and still do not get the desired result, we are basically in the same position without a forum in which to continue a dialogue. That is part of the concern here.

You know, it is like my mother, God bless her. She used to tell me if I did not do something by the time she counted to three, boy was I going to get it. And it would go one, two, two and a quarter, two and three-eighths, two and one-half, I guess it is almost as good as the slow roll call over in the Senate. But, indeed, we don't get to that point. What is it we do if there is noncompliance with our specific wishes in this case?

Ms. BAILEY. You probably knew that once your mother reached three, and you hadn't done it, there would be repercussions. What we need to do is convince North Korea——

Mr. ACKERMAN. I knew what the repercussions were.

Ms. BAILEY. So the deterrent worked because you knew it was real.

Mr. ACKERMAN. Deterrence isn't real unless you exercise it, and a trump card, once played, can never be recaptured, especially in a high stakes nuclear game. It was different, if my mother gave me a slap where she thought it would do the most good, I understood what was coming. You know, if I understood my mother was going to keep on doing fractions, and splitting the numbers forever, it would have been a waiting game.

Ms. BAILEY. In a way we are playing a waiting game now. We are really faced with only two options. One is to keep on yakking

about it, having dialogue, and trying to negotiate. And the other is to take stronger action. And what I am proposing is not the strongest action possible, but some warnings and some preparations, and some negatives that would ensue if North Korea fails. This is important not just vis-a-vis North Korea——

Mr. ACKERMAN. Tell them that we will have stronger actions.

Ms. BAILEY. And it will teach other countries that there must be some kind of negative action if they, too, proliferate.

Mr. ACKERMAN. The reaction that we have heard is sabre rattling at a higher level, at a greater decibel level. I think I could understand the argument if you said, "if they don't do it we are going to go in and militarily do this and that." I could understand that and they could appreciate that. And then it would be spelled out.

Unless you spell it out and say the warnings are going to be better or clearer or the warnings are going to be more severe and there will be drastic warnings, we have just taken the dialogue to a different level and are not really doing anything. That is—they have learned that they just take the stakes a bit higher, and I think that is a lesson that other nations might learn as well.

Ms. BAILEY. It almost sounds as if you would prefer to keep on talking.

Mr. ACKERMAN. As opposed to what?

Ms. BAILEY. As opposed to trying to take it to this higher order.

Mr. ACKERMAN. As opposed to talking louder. You see the difference I sense here is that you are telling me that perhaps I am just interested in talking, but what I am trying to do is find an alternative to the talking, and you are suggesting talking louder. You are suggesting yelling. And if yelling doesn't get us anywhere, then maybe we should go to screaming. But after all of that, what is it that we actually do other than give warnings and—you are not in favor of a physical strike?

Ms. BAILEY. No, just the maximum defense possible.

Mr. ACKERMAN. Ambassador Solomon.

Mr. SOLOMON. I, again, come back to the deliberations of our group. I believe we have a much more interesting and flexible range of options to make things happen if the North heads down the direction that they seem to be headed that is, pursuing their nuclear program rather than the other direction.

Let me make two points. First, the status quo for North Korea still hurts. There is an economic embargo imposed by the United States. There are serious constraints on this country resulting in a situation where their economy has been declining at about 5 percent a year. Their GNP has been dropping off 5 percent a year for the last several years. So the notion that they are being obdurate and getting away with murder is not, in my view, the case. And as Ambassador Gregg suggested, I think there are elements within this leadership that understand that they are on a losing course. So we should not feel helpless or frustrated that they are getting away with something simply by dragging their feet.

Secondly, it seems to me the challenge before us is to specify which action of the North raises the threat and what do we do in response to their raising the threat? And in the Institute's special report, we identify a number of things that they might do—with-

drawing from the NPT, exploding a nuclear device, employing the No Dong missile—that, I call crossing the red lines.

There are certain changes in the situation that you can clearly identify. What we have to do is think through with our allies and other friends what we do in response to those developments. I think it is very clear that as the North raises the threat, the willingness of the international community, especially the United States, to impose greater costs in the economic area, in terms of our raising our deterrent posture and certain other political pressures that we can bring to bear, those possibilities increase. But it seems to me it is also smart to do the other, which is to say, you, Pyongyang, have the option of backing away from this confrontation. And if you pursue the following path and spell out again what I would call green lines, if you do some things that significantly reduce this hair trigger conventional confrontation, if you clearly begin to dismantle your nuclear weapons program, we are prepared to respond.

I view it as wise diplomacy to have thought among ourselves and with our allies exactly what we will do if they proceed with inspections, if they were to dismantle their graphite-moderated reactors, or if they were to stop testing this No Dong missile, or if they were to do things that would back away the forces that are confronting each other across the DMZ, for example. Spelling out that graded range of reactions and responses, in my view, is now the challenge of our diplomacy.

Mr. ACKERMAN. I don't know that I subscribe at all to the fact that they have eaten all the carrots or that we have given them all the carrots or even shown them all the carrots or expressed the willingness to show them all the carrots. And maybe you could explain, any of you, the downside to the following: If we, indeed, fleshed out for them the positive reinforcements, the green lines, the carrots, the cheese at the end of the maze, any term you want to use, there are things that they want. There are things that they need. We motivate each other.

You can call it bribery or extortion or whatever. But, you know, there are certain people that come to my office and smile only when they need something. And people use each other. It is part of life. Nations use each other all the time. We are just, it seems to me, trying to dance with a partner that doesn't understand all of the rules here.

They have been isolated so long. They need to know that we don't want to blow up their country. We don't necessarily want to dictate what kind of system they should have. After all, they are panicky over that already. They have been orphaned—their "parents" have cut them off and isolated them further. They are no longer a ward of the former Soviet Union. Their allowance has stopped. Their economy is, to be kind, in shambles or nonexistent. Their system is not working. They understand what it is to feel starvation, and yet they are trying to put their best face on it because face may be all they have left.

And for their entire existence, they have stood at that line waiting to be attacked and invaded and rightfully or wrongfully have somehow managed to come to the conclusion that that is some day

very possibly going to happen. And the whole national psyche is built up around that and indeed it is dangerous.

I became the first non-Korean to walk across the DMZ last October. And the amount of paranoia that we saw on the part of the people around us was absolutely astounding. And the heightened tension was quite remarkable; what I read, heard, listened to, or studied, didn't emphasize until you actually saw those guys with the guns standing there thinking that somebody was going to kill them. It is a whole Nation that is paranoid.

The whole country has lived in a bubble and they have not been able to see out any more clearly than we have been able to see in. But there is no reason that we don't want them to become part of the world community. There is no reason that we should not want them to be able to peacefully exist with everybody else. There is no reason that we shouldn't want for their children the same things that we want for our children and that is to be able to live in peace and harmony with the rest of the world.

How we get there is the question. Their needs seem to be that they would like to be accepted, and they would like to be able to save face in coming to a conclusion. It appears that they would like to have the dialogue taken to a sufficient level to give them some kind of respect. They would like some economic incentives.

Kim Il Sung said to me he would like to offer the world the opportunity to invest in his country. I don't see anybody rushing to make great investments right now, but, indeed, if we are buying down missiles all over the world and it is cheaper to buy them back from people than to fight them over it, and we are talking about and doing that with regard to the former Soviet States, it may be easier to do that here. They are talking in terms of switching to a light water modulated nuclear process rather than the graphite-modulated ones and are probably looking for people to come in and invest in that.

Sure they would like to continue with the nuclear program as well, one would think. That is their ace in the hole. But I think they understand that that is not going to be tolerated in the end. But why not show them the possibility of some kind of political accommodation. Tell them if they do the things that we expect them to do, the things that others do, the things that civilized countries expect of each other, that we would be responsive in the same way that we are to other countries. And that is have normal relations and economic and cultural and social exchanges eventually, and in exchange for that we would like to see them weaned away from the nuclear program and, indeed, become as nonnuclear as they profess to be.

What would be wrong with that, without giving anything away initially, but letting them know that these are the stakes? This is the upside and we can wave whatever big stick we want to let them know what the downside is, too, and to do that from the outset. And then to proceed incrementally in that direction as a give and a take?

Mr. GREGG. I think that is the way we ought to go. I think it is very similar to what the paper talked about in terms of a package solution. I also think, Mr. Chairman, that it would be very

tough to do—that takes quite a lot of homework on our part to sort of get agreement as to what we would offer.

We really, I don't think, have done enough of that and I think that is one of the reasons that there is an argument that one person with enough stature and continuity of focus would be in a better position to put together that position, because I think the North Koreans have a certain sense of feeling that we occasionally move the goal posts and I think we ought to get our act together, say what we are going to say, agree that we are going to say it, say it, and then look for the results.

Mr. ACKERMAN. Dr. Bailey.

Ms. BAILEY. We have essentially already done that. We have indicated to North Korea that there are lots of things waiting in the wings if they would just behave themselves. Japan has said, for example, that they would begin investment and formalize relations, that is one point. The second point is that you are advocating or your question advocates, the idea of dealing with a gangster gunrunner, not by punishing him under the laws that he has broken, but try to figure out how his mind works and how to entice him out of his bad behavior. And if the gunrunner continues to run guns anyway after 2 years, then isn't it time to change tactics?

I think negotiation is just fine, but when it has already been tried and failed, there is a time to stop that and move on to something else and that time has come.

Mr. GREGG. Could I just have 10 seconds? The Koreans have a very long memory. They remember and we remember, some of us, what happened in 1968 when they really gave us a black eye when they seized the Pueblo and we looked everywhere for a way to retaliate militarily and there was no way without starting a war. And that equation has basically not changed and they remember it and we should remember it.

Mr. ACKERMAN. Dr. Bailey, you say the Japanese have told them they are willing, but where are the stakes in this for them?

Ms. BAILEY. Where are the stakes for Japan?

Mr. ACKERMAN. No, North Korea.

Ms. BAILEY. North Korea would very much like to have Japanese foreign investment. It means big bucks to them.

Mr. ACKERMAN. No question about it, but the dialogue that they are seeking is ours.

Ms. BAILEY. The Japanese offered the incentive to North Korea, offered the carrot if you will, that if they would open their nuclear program to inspection and back up on the direction they were taking, there would be financial and political result and what you are arguing, as I understand from your question, is that we ought to be thinking about offering more carrots. You can continue to fork over carrots, but they will eat them all without change.

Mr. ACKERMAN. I love Asian food, but some people don't like Japanese carrots. The North Koreans might be among those.

Ms. BAILEY. They love yen.

Mr. ACKERMAN. They love yen, but they love face more and I think they are not asking for a special envoy with the Japanese. They are not asking for a dialogue with the Japanese. Their insistence from the beginning has been us. We are the prize that they

want to go with to the dance. They want to be seen with us. They don't want to be seen with the U.N. or the IAEA or anybody else.

Ms. BAILEY. As an example of one of the carrots we gave them, there used to be a strong position that there would only be trilateral meetings, North and South Koreans meeting with us. The North Koreans wanted to boost it up a level where they would only be talking directly to us. Well, we gave them that carrot and it resulted in absolutely no progress. There are subtleties here that have been going for some time.

Mr. ACKERMAN. I think that some would make the point——

Ms. BAILEY. I don't think anybody would argue that there should be one single step taken by the North Koreans to comply with their international obligations.

Mr. SOLOMON. Let me argue with that point.

Mr. ACKERMAN. Well, we found at least one person.

Mr. SOLOMON. After President Bush's announcement of changes in the meeting in 1992 with the North Koreans, several useful things happened which built some of that web that Dr. Bailey was talking about. They finally signed an agreement with the IAEA to open their nuclear facilities to inspection—something they had resisted for almost 7 years.

There were, subsequent to that signature, six inspections and those inspections were very important. They, unfortunately, from the North Korean point of view, but very helpful from our point of view, confirmed our worst suspicions about their nuclear program.

Now, that was not a cost-free experience for the North Koreans. I think that is one of the reasons they pulled back. They were probably surprised at how much could be learned by those inspections.

Moreover, in response to those developments, the North-South talks made some progress on paper. There were two very important agreements signed in late 1991 between officials from the Pyongyang and Seoul on denuclearizing the peninsula and building a process of reconciliation. Those agreements, unfortunately, were never implemented.

As we know, there is a stalling in implementing the IAEA controls over the nuclear programs, but the North Koreans are somewhat enmeshed in legal and political obligations that give us more of a basis for exercising some influence, if not control, over where they are headed.

No one wants to oversell those achievements, but I think they are very important—as I say, laying the basis for dealing with this problem in the future. We have, in my view, a range of other robust, economic and political sources of influence that it seems to me we can invoke in a graded way, so I don't feel that our hands are tied and that they are in control of this game.

Tactically, they are maneuvering to get some control but strategically they are on a losing course. And if they choose to be totally uncooperative, they are not going to get away with it. They are going to continue to sink however fast or slowly and create circumstances where international pressures or deterrent forces can only increase against them.

Mr. ACKERMAN. Ambassador Gregg.

Mr. GREGG. I really can't add anything more to that. We haven't mentioned very much about sanctions, I think that is the next step.

But I think that we, if we are going to move to sanctions, we have to have the Chinese involved, and I think we are not yet at the point where the Chinese feel that the North Koreans are so obdurate as we have to move there without Chinese participation.

In 1992, they had $2 billion worth of two-way trade and three-quarters of it was in barter. The North Koreans are paying for six or seven of their key raw materials from China and unless the Chinese participate, sanctions are meaningless. I think that at a certain point the Chinese would participate, but I don't think we are there yet.

Mr. ACKERMAN. As I understand it, nothing is free in this world. Do we pay the price that the Chinese might ask for their cooperation?

Mr. GREGG. Are you talking about MFN?

Mr. ACKERMAN. MFN, human rights, look the other way, a nod and a wink. It could be a whole bunch of things. Forget about the Dalai Lama, forget about prison labor. There is a whole bunch of stuff that they would like to buy us off of.

Mr. GREGG. Here is the China expert, but I think the changes afoot in China are at a tremendous rate now and we don't want to redefine our relationship in terms of just communism and anticommunism, which I think would drive the Chinese and the North Koreans into an ideological corner. And I think that would be a big mistake.

I think what the Chinese have unleashed in their own country, the economic opportunities there, are going to change China faster than anything we would impose from the outside.

Mr. ACKERMAN. Ambassador Solomon, it would just seem to me that nations upon whom sanctions might be placed will usually stick together when people talk about imposing sanctions. Just an observation. And I don't know, maybe Ambassador Solomon can shed a little more light on that.

Mr. SOLOMON. Let me make a couple of comments. No one knows really what the Chinese say to the North Koreans behind closed doors. They publicly posture themselves as a friend. At this point, they oppose applying sanctions on the North, saying it is counterproductive. I think there are a number of reasons for that, which are mentioned in the Institute's special report. But let me make two points.

I personally believe and it is based strictly on my own three and a half decades of dealing with the Chinese. I believe their interests and ours in the situation are just about the same. They do not want to see nuclear proliferation on the Korean Peninsula. They currently do not want a war on the Korean Peninsula. And it is my hunch that the reason that the North Koreans agreed on the 15th of February to go back to an inspection regime was that the Chinese quietly said to them, do not put yourselves and us in a position where the international community, through the U.N. Security Council, is saying you should be sanctioned.

I think the Chinese don't want to be put in that position for their own interests. They have enough influence in Pyongyang to have elicited the response that they gave, which was a paper agreement to go ahead. We are aware that they have thrown another spanner in the works, but the important point is that the Chinese, I think,

are a sort of positive influence on the North Koreans, even though it is a kind of good cop-bad cop game.

Secondly, in dealing with the Chinese, my impression is that incentives will work a heck-of-a-lot better than the threat of sanctions. And where we do share, it seems to me, many of the similar objectives in terms of stability on the Korean Peninsula and elsewhere, we have a better basis to work with the Chinese through a positive agenda rather than a sanctions agenda. They may move when faced with sanctions in a symbolic way, in a limited way, but that really is not going to change things.

The question is whether you tap into what are really their own interests and structure the relationship in a way that plays to their benefit in a significant way. I think we can work with them in that context.

Mr. ACKERMAN. Well, I guess that is going to be one of the key considerations, if, indeed, we come to the point of sanctions and the Chinese take a walk on the vote and then continue to observe their commercial agreements with North Korea. Do we, indeed, fire on a Chinese ship running the blockade?

This has been a most interesting hearing. And I thank each of the three of you for your expert testimony, divergent as it is. Dr. Bailey is off to Dulles. We thank you very much for being with us. Good luck in catching your flight. Let me thank you and we will continue to call upon your expertise as this problem continues to be discussed.

Mr. SOLOMON. Thank you, Mr. Chairman.

Mr. ACKERMAN. The hearing is adjourned.

[Whereupon, at 4:25 p.m., the subcommittee was adjourned.]

APPENDIX

Tensions on the Korean Peninsula
Representative James A. Leach
February 24, 1994

Thank you, Mr. Chairman. Let me also extend a warm welcome to Ambassadors Gregg and Solomon, as well as Ms. Bailey.

As we all understand, North Korea's development of nuclear weapons constitutes an unprecedented challenge to the international nuclear nonproliferation regime and threatens peace and stability on the Korean peninsula.

While North Korea has suspended its withdrawal from the Nuclear Non-Proliferation Treaty, it is clearly not in compliance with its full-scope safeguards obligations to the International Atomic Energy Agency. It has rejected IAEA inspections of its suspected undeclared facilities. As of today, it has also prohibited full IAEA inspections of its seven declared facilities for over one year. And it has shown no serious interest in implementing wider-ranging, and thus reassuring, bilateral inspections under the 1991 North-South Denuclearization Declaration. Other aspects of North Korean conduct at home and abroad remain deeply disturbing.

Clearly, the Congress is united with the Executive Branch, South Korea and indeed the world community in demanding that North Korea promptly implement its recent February agreement with the IAEA. If satisfactorily completed, these inspections of declared facilities will help reassure the world that North Korea's production of weapons grade plutonium remains capped.

But even if these inspections go forward satisfactorily, they will not resolve the question of how far North Korea has progressed in its nuclear weapons program. Ultimate resolution of that issue may hinge on future "comprehensive" discussions between Washington and Pyongyang. Even if successful, those negotiations are likely to take many months. In the meantime, North Korean conventional military modernization, as well as development of weapons of mass destruction and their means of delivery, will likely continue.

My own sense is that the Congress well understands the complexity of the North Korean nuclear problem and supports a resolution of this issue through dialogue, if such is possible. To the extent there has been un-ease with the evolving Administration approach, it is largely twofold.

First, there is a concern that inadequate attention has been paid to our bolstering our deterrent posture in South Korea and to reemphasizing the commitment of the U.S. to defend our treaty allies in Northeast Asia. Members are not reassured by Administration suggestions that there is no military crisis or heightened security threat on the Korean peninsula today, but there

could be tomorrow if U.N. sanctions are imposed. We need to be well prepared well in advance for any and all contingencies. More broadly, many fear that the longer the status of North Korea's nuclear program remains unresolved the more key regional allies may come to doubt Washington's commitment to nonproliferation and extended deterrence, and therefore reconsider self-reliance as a basis for national security.

Second, many Members are concerned that until very recently, the Administration appeared to have little stomach for confronting North Korea over its flagrant breach of its NPT obligations. To be sure, there have been mitigating factors -- the need to build international consensus, the dynamics of negotiations with Pyongyang, questions about the effectiveness of sanctions -- that suggested going the extra mile with North Korea. But as talks dragged on and alleged deadlines slipped in 1993, U.S. and international determination to enforce the NPT began to look progressively less credible. In the end, the U.S. and international community must leave the Kim's with no doubt that North Korea will pay a high diplomatic and economic price if it remains bent on developing nuclear weapons.

This unfolding drama has far to go before its denouement. But the importance of this issue to the United States, our allies, and the world community cannot be underestimated. American leadership is being tested. This Congress and this Administration has no choice in these troubling times except to stand firm for our vital interests, our principles, our allies, and our united commitment to peace and security on the Korean peninsula.

SPECIAL REPORT

North Korea's Nuclear Program: Challenge and Opportunity for American Policy

A Report of the North Korea Working Group of the United States Institute of Peace

WORKING GROUP MEMBERS

Richard Solomon, President, United States Institute of Peace (convener)

Morton Abramowitz, Carnegie Endowment for International Peace

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Steve Pieczenik, M.D., United States Institute of Peace

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Helmut Sonnenfeldt, Brookings Institution

KEY POINTS

- In a public atmosphere of heightening confrontation over North Korea's nuclear program, the United States Institute of Peace conducted an intensive five-month review of Pyongyang's proliferation activities. Our objectives have been to help clarify public understanding of a complex issue with serious security concerns for the U.S. and key allies, and to assess negotiating strategies for dealing with the North Korean challenge.
  - Our deliberations were facilitated by dialogue with government officials and private-sector experts similarly grappling with approaches to eliminating the nuclear threat from Pyongyang without either acquiescing in its proliferation activities or precipitating armed conflict.

- The North Korean nuclear program presents a major challenge to the security of two treaty allies—South Korea and Japan—and to our interest in an effective global nuclear nonproliferation regime. It would be inappropriate, however, to view Pyongyang's program to construct nuclear weapons in its current state of development as constituting an immediate military crisis.

- That said, essential to an effective negotiating position is the maintenance of a credible U.S./South Korea military deterrent, including maintenance of a prudent readiness posture. Given Pyongyang's long history of the use of violence, it is necessary to convince the North Korean leadership that pursuing its military buildup—conventional as well as nuclear—is a losing course of action. Deterrence, however, is only the foundation of a policy; it is not a strategy for dealing with Pyongyang's nuclear challenge.

■ We have potent diplomatic and economic assets for dealing with Pyongyang, based on a strong international coalition (including China), which can be brought to bear at the negotiating table.

— North Korea's economic decline, its international isolation, and its impending domestic political transition present opportunities to persuade it to abandon the path of confrontation in favor of a course of military stabilization, tension reduction, and political and economic engagement.

■ North Korea's self-imposed isolation, its record of violence, and its on-again, off-again negotiating tactics easily lead to misreading of the circumstances it faces and of the risks and opportunities we face. Current public commentary on the situation implies either the hopelessness of efforts to negotiate an end to the North Korean nuclear weapons program, or the possible degeneration of the current confrontation into military conflict. We believe that the prospects for conflict, while not to be taken lightly, are not so stark, and that the options for negotiation are potentially more productive.

■ The working group identified nine questions now shaping the public debate on this issue. Each is subject to misperceptions that impede development of a more effective Korea policy. These issues, which the group sought to clarify, include:

— Does North Korea have "the bomb"?

— Is "the bomb" THE security threat?

— Do we face an imminent military crisis in Korea?

— Is the North Korean leadership unpredictable or irrational?

— Is Pyongyang really in control of the negotiation?

— Will Pyongyang alter its behavior only when pressured?

— Is time on North Korea's side?

— Does North Korea want to join "the family of nations"?

— Is U.S. policy clear to North Korean officials?

■ Given the complexity and sensitivity of the North Korean challenge, the Administration could strengthen the policy-making process by appointing a senior coordinator to oversee the bureaucracy, be a public spokesperson on this issue, and coordinate policy with key allies. The coordinator could also be the point-person in dealing with North Korea in what without question will be a protracted, frustrating, on-again, off-again negotiating process.

■ A negotiating strategy is the most effective approach to mobilizing U.S. and allied strengths in dealing with Pyongyang. In recent years North Korea has appeared somewhat responsive to negotiating options that played to North Korean needs. The North Korean leadership faces a difficult set of decisions about how to deal with its parlous circumstances. .'

well-cast U.S. negotiating position can influence Pyongyang's approach to dealing with its policy dilemmas.

■ The working group concluded that the most useful negotiating position would be a package proposal which clearly spelled out for Pyongyang a strategic choice of two paths to its future: either to face increasing isolation and relentless international pressure if it persists in its current policy of confrontation and military buildup; or to take steps to defuse the military confrontation, build confidence and gradually engage the world economically and politically. North Korean actions down either of these paths should be responded to by proportionate U.S. and allied incentives or by actions to heighten deterrence and Pyongyang's isolation, as appropriate.

■ What if Pyongyang won't deal? It must be recognized that the North Korean leadership may not be willing now to reach a negotiated resolution of international concerns about its nuclear program. The working group concluded, however, that standing pat is not a viable long-term option for the North given its domestic difficulties and international pressures. Hence, the Pyongyang regime will in time either opt for survival by giving up its nuclear program, or it will continue down the path of self-isolation and confrontation. This latter course carries with it some significant risks and dangers for which our strategy must be prepared. However, we believe that if Pyongyang follows this path it will eventually succumb to its own internal weaknesses.

The members of the working group are listed on page 1 of this report. They all concurred in the overall assessment of the report, though not necessarily with each and every point. The views expressed in the report do not necessarily reflect views of the United States Institute of Peace, which does not advocate particular policies, or the views of the organizations of which the participants are members.

NORTH KOREA'S NUCLEAR PROGRAM:

Challenge and Opportunity for American Policy

A Report of the North Korean Working Group of the
United States Institute of Peace

Background to a Nuclear Confrontation

For more than forty Cold War years, almost two million heavily armed and fortified troops have faced each other in close proximity across the demilitarized zone (DMZ) that has divided the Korean Peninsula since the armistice of 1953. Despite periodic violent provocations by the Democratic People's Republic of Korea (the DPRK, or North Korea), the U.S. and the Republic of Korea (ROK, or South Korea) have maintained sufficient deterrent forces to preserve a stable, yet tense confrontation.

During the 1980s this standoff began to change. In contrast to double-digit economic growth in South Korea, the North's economy began to decline. Nonetheless, the North Korean leadership in Pyongyang began to modernize its substantial conventional military forces and to accelerate a nuclear program which had been under way since at least the 1960s. At the same time, profound changes in the Communist world led to a breakdown in North Korea's relations with its long-time ally the Soviet Union, and strains developed in Pyongyang's ties with China. Both Moscow (in 1990) and Beijing (in 1992) granted diplomatic recognition to North Korea's rival government in Seoul over the North's strong objections. The Soviet Union and China also supported the dual admission of the two Korean states to the United Nations in September 1991—a position long opposed by Pyongyang. And Moscow began to phase out its long-standing economic subsidies to North Korea—especially the large-scale supply of oil at "friendship prices"—thus accelerating the North's economic decline.

In this context, the United States made several significant moves that helped to facilitate a range of diplomatic activities. Modest reductions in the U.S. military presence in South Korea were undertaken between

1990 and 1992 as the first phase of a post–Cold War adjustment of the American security posture in East Asia;[1] and President Bush announced in September 1991 that all U.S. ground- and sea-launched tactical nuclear weapons deployed worldwide would be withdrawn.

These developments encouraged the acceleration of a dialogue between Pyongyang and Seoul which had been under way sporadically for some years. Two major agreements -- on political reconciliation, and on denuclearization of the Korean Peninsula -- were reached between North and South Korea in December 1991;[2] and in early 1992, six years after it signed the Nuclear Nonproliferation Treaty (NPT), North Korea finally reached agreement with the International Atomic Energy Agency (IAEA) on an inspection program designed to confirm that its nuclear program was for peaceful uses only. U.S. and North Korean officials met at a policy level in January 1992—the first time since the end of the Korean War; and starting in April 1992, IAEA officials conducted six inspections of North Korean nuclear facilities.[3]

These signs of progress in reducing tensions on the Korean Peninsula began to dissipate, however, after only a few months. Although the North and South reached some agreements on paper that advanced the 1991 accords, efforts to agree on implementing protocols stalled. Moreover, by the fall of 1992, as the IAEA tried to reconcile discrepancies found in nuclear data submitted by the North Koreans, Pyongyang resisted "special inspections" of nuclear waste disposal sites that the IAEA believed could help clarify the history and purposes of the North's nuclear program. Confrontation escalated on a number of fronts, including over the

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[1] Under the Defense Department's April 1990 East Asia Strategy Initiative (EASI), approximately 7,000 U.S. forces were withdrawn from South Korea by the end of 1992, lowering the total from approximately 44,000 to about 37,000. Plans for further withdrawals under EASI after 1992 have been suspended until the North Korean nuclear issue is cleared up.

[2] The December 13, 1991, North-South Agreement on Reconciliation, Non-Aggression, Exchanges and Cooperation; and the December 31, 1991, North-South Declaration on a Non-nuclear Korean Peninsula.

[3] These inspections confirmed that Pyongyang has had an active program aimed at producing plutonium. The conclusion that the plutonium was intended for use in nuclear weapons is supported by reports from various sources that only beginning in 1992 has there been any activity at the North's known nuclear facilities that can be ascribed to possible future electric power production.

scheduled resumption of the joint U.S.-ROK "Team Spirit" exercise that had been suspended in 1992 in the context of the recently signed nuclear accords. In the end, the North announced on March 12, 1993, its intention to withdraw from the Nuclear Nonproliferation Treaty, apparently to avoid the inspection requirements of the treaty verification regime.

This development led to intense discussions between U.S. and North Korean officials in mid-1993 in an effort by Washington to sustain Pyongyang's adherence to its obligations under the NPT, including acceptance of IAEA inspections. In June, one day before the North's withdrawal from the NPT was to take effect, Pyongyang agreed to "suspend" its withdrawal, but its continuing resistance to either IAEA "special inspections" or substantive dialogue with South Korea has left this situation in a tense limbo, with neither fully effective international control over the North's nuclear program nor movement toward North-South reconciliation.

A major element of ambiguity has been created by North Korea's claim to a special status with respect to the NPT and IAEA. Pyongyang has "volunteered" to accept those inspections "necessary to assure the continuity of safeguards" already in place, but it asserts that so long as its withdrawal from the NPT is merely "suspended" it has no legal obligation to accept the full range of regular ("routine and ad hoc") inspections required by its agreements with the IAEA. Only after a negotiated settlement with the United States, Pyongyang has said, will it again assume its full NPT obligations.[4]

In recent months the standoff between North Korea and the international community over the nuclear inspection issue has generated a

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[4] Although North Korea has said it will accept the inspections necessary to maintain continuity of safeguards, and the IAEA has said it will limit its inspection requirements to only those activities necessary to verify -- or restore -- continuity of safeguards and not the full panoply of "routine and ad hoc" inspections, their definitions of what inspections are required or are acceptable differ in significant ways. It is this difference that led to the brink of an IAEA decision to declare that the continuity of safeguards had been broken and to refer the issue back to the UN Security Council for consideration of sanctions. Although that crisis may have been averted for now, the crisis could arise again if Pyongyang reneges on its recent agreement, or when succeeding rounds of inspections are due to be scheduled.

public mood of impending crisis. Given Pyongyang's past use of violence and its efforts to modernize its large military establishment, the anticipation of a military confrontation with nuclear possibilities has increased. Although officials in Washington and Seoul have searched for an effective diplomatic strategy to eliminate the North's nuclear challenge, the obstacles raised by Pyongyang have eroded the credibility of negotiations. Press reporting has focused on the possibility of hostilities resulting from the confrontation. A number of political commentators have urged the administration to be tough with Pyongyang, some suggesting a military blockade against North Korea or even an attack on the nuclear facilities at Yongbyon. This has highlighted the difficulty of managing a complex issue with great consequences for U.S. and allied security interests.

While the crisis that would have resulted from an IAEA declaration of a break in the continuity of safeguards may have been averted by the announcement on February 15 of an agreement between the DPRK and the IAEA on the next round of inspections, it is virtually certain that there will be further complications and periods of heightened confrontation as efforts persist to negotiate the elimination of North Korea's nuclear weapons program and promote a North-South dialogue. It is highly uncertain whether Pyongyang will, in the end, give up its nuclear program. Even if it is reluctantly moved to do so, not only might the IAEA inspections run into trouble because of North Korean resistance to their intrusiveness, but given the high level of mutual distrust and the inherent complexity of the issues, setbacks are almost inevitable. Thus, even if a sense of imminent military crisis may not be justified today, the underlying dispute is far from resolved.

Framing the North Korean Challenge

North Korea's long-standing efforts to develop nuclear weapons and an associated missile delivery system present a serious challenge to U.S. and allied security interests in the post–Cold War era. At stake are:

- the security of a treaty ally—the Republic of Korea—and 37,000 American troops stationed in South Korea in support of our treaty

commitment;

- the credibility of our defense commitment to Japan, which is the linchpin of the U.S. security presence in the Asia-Pacific region;

- stability throughout the economically dynamic Northeast Asian region where the interests of the major powers intersect;

- the integrity of the global nuclear non-proliferation regime, which would be badly weakened by North Korea's withdrawal from the NPT, its non-compliance with IAEA inspection requirements, and DPRK exports of nuclear materials or technology.

Thus, the current challenge has two dimensions -- international (both global and regional security), and peninsular (inter-Korean security and political relations). U.S. policy must simultaneously take both dimensions into account if it is to be effective in the service of U.S. and allied interests.

Important Opportunities for Future Security Arrangements

At the same time, the North Korean situation offers the United States and the entire international community new and very challenging opportunities for shaping key post–Cold War security arrangements:

- IAEA success in monitoring the North Korean nuclear program would help restore credibility to the process of controlling the proliferation of nuclear weaponry through international agencies—a process that was seriously eroded by the experience with Iraq.

- Conducting a special inspection of North Korean nuclear facilities would mark the first time the IAEA has used its dormant authority.

- Reliable termination of the DPRK's nuclear program would help facilitate the process of North-South reconciliation (and eventual

reunification), and help North Korea normalize its relations with the international community.

• Enterprising regional diplomacy would also reaffirm U.S. leadership in Asia, enhance our two key bilateral security treaties in the region (with Japan and the ROK), foster new patterns of policy coordination among the U.S., South Korea, Japan, China and Russia, and promote broader multilateral political cooperation in Northeast Asia.

The Challenge Is Also to U.S. Decision-Making

Prior to the current impasse, the new Clinton and Kim Young-sam administrations had concluded that a piecemeal approach to dealing with North Korea was not adequate, and that resolution of the nuclear issue required a more comprehensive policy that addressed the full range of security and political issues underlying the nuclear challenge.

Drawing on working-level diplomatic exchanges at the UN between American and North Korean officials, Washington and Seoul evolved the concept of a "broad and thorough" policy which would maintain military deterrence in the face of the undiminished North Korean military threat while offering Pyongyang a clear political choice: to relinquish its nuclear weapons program in exchange for a process of expanding political and economic engagement as a member of the international community; or to face growing international isolation and confrontation if it continues down the path of its nuclear and conventional military buildup.

Implementing this general approach has been impeded by a number of factors. Fundamental to the current impasse has been a clash between what Pyongyang has characterized as American and South Korean pressure tactics, and what Washington and Seoul have seen as North Korean foot-dragging. Although U.S.-DPRK diplomatic exchanges in recent months have succeeded in inducing North Korea to put a temporary hold on its threatened withdrawal from the Nuclear Nonproliferation Treaty regime, there has been no progress in resolving the issue that precipitated the current dispute -- the IAEA demand to inspect the two

suspect nuclear waste sites. And while Pyongyang belatedly agreed to allow the IAEA to resume monitoring of its declared nuclear facilities for the limited purpose of restoring the continuity of safeguards as required by the NPT, it should be assumed that the North will continue to resort to stalling tactics designed to maintain some control over its negotiations with the United States and the IAEA, and that it will resist as much as possible international intrusions into its society and military systems, including its nuclear program.

Pyongyang has also resisted resumption of a political dialogue with officials from Seoul to implement the bilateral denuclearization and reconciliation agreements of late 1991. There has been a prevailing assumption that such bilateral North-South talks would resume once the other aspects of the nuclear impasse with the IAEA have been resolved—a presumption that may soon be tested. But it should also be assumed that Pyongyang will do all it can to minimize contacts with the ROK that would undercut its decades of propaganda about an impoverished society in the South and give legitimacy to the government in Seoul.

At the same time, it is clear from the surfeit of press leaks that the complexity of the issues and the diversity of perspectives within the U.S. government and the broader policy community over priorities, strategy and tactics have made it difficult for the United States to develop and articulate a clear policy position.

The consequence of this difficulty is that our public debate is now confusing the issues rather than clarifying them or providing a clear sense of how to deal with the nuclear problem. The credibility of negotiating with the North Koreans is also being undermined by Pyongyang's on-again, off-again behavior reinforced by the perception -- justified or not -- of an administration being outmaneuvered by a recalcitrant North Korean regime that will respond only to threats of sanctions. The alternatives that are thus emerging in press characterizations of the situation are capitulation or confrontation. An effort must be made to foster a more realistic public awareness of the dimensions of this challenge and of appropriate ways of dealing with it. Otherwise, the next time there is an impasse, the administration may be pressured into taking actions that could be highly counterproductive for U.S. and allied interests.

The recent government experience of many in the study group leads us to believe that, given the complexity and sensitivity of this issue, the Administration should appoint a senior coordinator to be the point-person in developing and implementing policy towards North Korea. This individual should be someone of sufficient authority to effectively oversee the complex bureaucratic interests involved, to act as the authoritative spokesperson on the issue, to coordinate with our international partners, and, if diplomacy proceeds, to assume duties as a special negotiator with the North. Such an appointment would inject greater cohesion and decisiveness into the policy-making process and strengthen the prospects for successfully constructing a U.S. policy that will have the domestic and international support necessary to be effective.

Misperceptions and Realities of the North Korean Challenge

The North Korean regime is self-isolated, secretive and widely distrusted because of its highly militarized society and economy and its record of violence in repeated attempts over the decades to destabilize the South Korean political system. There is good reason to be skeptical of statements by North Korean leaders and diplomats, and more than ample grounds to maintain a high level of vigilance and military preparedness.

That being said, the North's isolation and record of violence, and our limited understanding of its circumstances, also engender assumptions about Pyongyang's purposes, the state of its nuclear and other military programs, and its internal political and economic situation that may well be inaccurate or unwarranted. Misperceptions or limited understanding may contribute to a tendency to base policy on worst-case assumptions. To develop an effective policy we need to be clear about what we know and what we do not—and in some cases cannot—know. We also need an overall strategy that will be supported by a level of public understanding of the situation that is as accurate as possible.

Following are nine questions about North Korea that the group

believes are often answered in ways that distort current efforts to develop effective policy, and our best assessment of the realities of the situation:

1. Does North Korea have "the bomb"?

While not necessarily inconsistent with public statements by U.S. officials that Pyongyang may well have one or two nuclear devices, what in fact is known publicly about the North Korean nuclear program is that:

— North Korea has a long-standing nuclear effort that appears to have been designed principally to produce plutonium for a weapons program.

— The IAEA has reported publicly that Pyongyang has admitted to having accumulated 90 grams of plutonium through the reprocessing of irradiated reactor fuel. There is inferential evidence that the North has reprocessed more, but it is not known how much more. The CIA estimate that the North has accumulated enough plutonium to make one or two bombs may be correct, but this is a worst-case extrapolation that is not based on direct evidence.

— There is no hard evidence—only the presumption—that the North has successfully weaponized the plutonium it has accumulated. It may have done so. It is clearly trying to do so.

— There is no evidence that North Korea has test-detonated a nuclear device or weapon. It is not necessary to conduct such a test to have a deliverable weapon, but successful testing would substantially increase Pyongyang's confidence about its nuclear capability and significantly raise the atmosphere of threat to its neighbors.

— North Korea has Scud missiles and artillery capable of hitting most of South Korea, and it is developing but has not deployed longer-range missiles capable of hitting targets anywhere in the South as well as in parts of Japan.[5] But there is no evidence that it

[5] These missiles are generally referred to in press accounts as the "Nodong" missile system.

has succeeded in designing a nuclear weapon small enough to be delivered by these systems. More likely, any North Korean nuclear device would have to be delivered by aging Il-28 light bombers of 1960s Soviet design or by MiG-23 or -29 aircraft.

— North Korea has a small, 25 thermal megawatt, graphite-moderated reactor which is the presumed source of any plutonium it has accumulated. It has been constructing a large reprocessing plant that can produce weapons-grade plutonium from the nuclear fuel irradiated in the reactor, but IAEA inspections of this plant indicate that the facility is not yet finished nor fully equipped to carry out large-scale operations. The North also has under construction a much larger nuclear reactor of 200 megawatt capacity. If this reactor becomes operational it will be able to produce—in conjunction with an operational reprocessing plant—quantities of plutonium sufficient for several bombs a year.

What all this adds up to is a nuclear program whose only purpose seems to be to produce weapons-grade plutonium but which, to date, may not have succeeded in producing substantial amounts of such plutonium or weaponized nuclear devices. If the North succeeds in avoiding IAEA controls over nuclear facilities that can produce plutonium (either by evasion or by withdrawing from the Nuclear Nonproliferation Treaty), the credibility of the global non-proliferation regime will be significantly degraded. And any prospect of positive engagement with the North leading to reduced tensions on the Peninsula will be undermined. Further proliferation activities by the North would likely also seriously affect the security strategies of key countries in Northeast Asia, with potential long-term effects on regional stability.

In military terms, however, the significance of the North's nuclear program *in its current state* should not be exaggerated. Even if the worst-case assumption that Pyongyang now possesses one or two untested devices or weapons is correct, this would not constitute a "nuclear capability" for use in any but extreme circumstances. If someone were thinking of attacking the North—and we know of no one who is—this

inchoate capability would provide added reason for caution. But Pyongyang's substantial conventional military capability is reason enough for caution. And with respect to the likelihood that North Korea would use a nuclear capability to attack the South, Pyongyang's leaders have indicated that they take to heart statements by U.S. leaders that South Korea, a treaty ally, remains protected by the American defense umbrella—conventional and nuclear—which means that any use of nuclear weapons would bring on a devastating response.

From an outsider's perspective, the North seems trapped in its nuclear program. Not only does it provide no increment of security, it adds to the DPRK's insecurity by imposing enormous economic costs on the country and by reinforcing the international distrust that isolates the regime from trade and investment. This assessment of North Korea's nuclear program is not cause for complacency; it is the basis for designing a negotiating strategy intended to eliminate the nuclear program before the North has clearly weaponized whatever plutonium it has already accumulated, and to forestall Pyongyang's developing the capacity for large-scale reprocessing of weapons-grade plutonium.

2. Is "the bomb" THE security threat?

As serious as is the nuclear issue, from a strictly military perspective North Korea's conventional military capabilities are of greater immediate concern. These capabilities include a 1.1 million man army, some 70 percent of which is deployed within 60 miles of the demilitarized zone. (Seoul is only 25 miles south of the DMZ.) North Korea has a missile and artillery capability that now puts Seoul, over one-fourth of the South's population and one-third of its industrial capacity (including nuclear electric-power generating reactors) at constant risk. Forward-deployed North Korean artillery could launch an attack on U.S. and ROK forces with little warning, which requires a constant high state of military preparedness in the South. Moreover, North Korea is presumed to have a chemical—and possibly a biological—weapons capability that threatens extensive civilian casualties and intensifies the prospect of massive refugee movements in a military crisis.

This highly threatening North Korean conventional military machine

is a source of strength to the North. But, like the nuclear program, it is also a tremendous burden, draining the North Korean economy (see the comparative statistics in table 1) and heightening international distrust of the North, thus reinforcing Pyongyang's self-imposed isolation. There is also good evidence that the cutback in North Korea's access to oil supplies has degraded the effectiveness of its military—especially the air force and tank forces, which have only limited fuel for training and operations. Moreover, North Korea's highly constrained access to international petroleum markets is crippling its industrial base.

Despite these limitations, best estimates are that a conventional war on the Korean Peninsula would inflict, at minimum, several hundred thousand civilian and military casualties and enormous material loss on the South. It would also lead to physical devastation and political destruction of North Korea.

3. Do we face an imminent military crisis in Korea?

While from a non-proliferation perspective there is urgency in stopping the North Korean nuclear program before it proceeds further, the immediate confrontation over the nuclear inspection issue does not constitute any less or more of an imminent *military crisis* than has existed during the four decades of conventional military confrontation across the DMZ.

To treat the nuclear program as it exists today as an imminent military crisis has two harmful effects. First, it heightens the sense of imminent danger, constraining options and flexibility in dealing with the problem. Second, it plays into Pyongyang's game of threat and intimidation while slighting our many strengths for dealing with the situation.[6]

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[6] Some commentators have advocated military action against the North before it has acquired an operational nuclear capability -- the lesson of Iraq. But the limited prospect of successfully targeting hidden nuclear capabilities makes it highly unlikely that such action would be effective (another lesson of Iraq), and it ignores the high risk that such action would prompt a North Korean military response across the DMZ.

4. Is the North Korean leadership unpredictable or irrational?

North Korea has a well-established record of using violence in pursuit of its aims: the use of terrorism against the South, including bombing the entire South Korean leadership in Burma in 1983, ax murdering two American servicemen in the DMZ in 1976, and bombing KAL flight 858 in 1987, on the eve of the 1988 Olympic Games in Seoul, as well as harboring and training international terrorists.

Several of these activities have been attributed to Kim Il-Song's son and designated heir Kim Jong-Il, who is reported to be "bizarre" in his personal behavior and inclined to use force to shore up his relatively weak domestic political standing. Whatever the truth of such reports, this pattern of vicious behavior, in combination with Kim Il-Song's totalitarian control over North Korean society as the "great leader," has created an air of unpredictability and violence about the regime. It certainly bespeaks a leadership single-minded in its efforts to prevail in the confrontation with its South Korean rival and prepared to use unacceptable and destructive methods to do so.

This record of North Korean behavior is cause for high vigilance and thorough defense preparation, but it does not indicate a leadership so out of control that, if given a way out, it would "lash out" in what would be a suicidal use of military force. Pyongyang's violent provocations over the years against South Korean or U.S. targets have been intended to destabilize the ROK leadership or to send a "don't tread on me" message. They have not been designed to provoke the outbreak of full-scale war.

North Korea's serious political and economic setbacks in recent years suggest that Kim Il-Song's long-held dream of reunifying the Peninsula on his own terms, including through the use of force, has given way to concern for survival as his first priority. In this circumstance, the United States and its allies have at least some ability to influence Kim's calculations about what uses of force, if any, will serve his interests.

5. Is Pyongyang really in control of the negotiation?

North Korea's reputation for "toughness" at the negotiating table

bespeaks the well-established—and well-discredited—Stalinist style of negotiating that reflects the origins of the Kim Il-Song regime in the late 1940s under Stalin's tutelage. It is a rigid, frustrating, but largely predictable approach to negotiating that reflects a view of politics as "war by other means."

In North Korea's current circumstances, however, this rigidity is a reflection of weakness and vulnerability, not strength. The DPRK must deal with a situation in which it has been abandoned by its allies, its economy is in a shambles, and its internal political situation is in a vulnerable state of transition. In fact, the tough rigidity and exasperating on-again, off-again maneuverings of North Korean officials create a highly predictable negotiating pattern which, with the proper tactics and persistence, can be effectively countered. The challenge is to devise a negotiating approach which will turn Pyongyang's "toughness" and recalcitrance toward acceptable outcomes.

6. Will Pyongyang alter its behavior only when pressured, and thus not respond to incentives?

A credible military deterrent force is a *sine qua non* for dealing with North Korea. However, deterrence is the underpinning of diplomacy, not a strategy for problem-solving. The recent history of U.S. and ROK negotiations with the DPRK suggests that while North Korea can be inflexible, it is not immovable. The record indicates at least some recognition in the North Korean leadership that survival requires backing away from the enduring confrontation on the Peninsula, if their concerns are addressed.

Despite years of North Korean protests about the alleged presence of U.S. tactical nuclear weapons in the South, when President Bush announced his global withdrawal of tactical weapons in September 1991 Pyongyang seemed to respond directly by negotiating important agreements. In December, the month after ROK President Roh Tae Woo declared there were no nuclear weapons in South Korea, the DPRK and ROK reached the unprecedented North-South reconciliation and denuclearization accords. Cancellation of the 1992 "Team Spirit" exercise and holding the first-ever US-DPRK policy-level meeting in January 1992

were followed by North Korea's ratification of the IAEA safeguards agreement and six IAEA inspections of North Korean nuclear sites. More recently, Pyongyang's decision to back away from its threat to withdraw from the NPT and its agreement to discuss outstanding nuclear problems with the IAEA and with Seoul came in the context of U.S. security assurances in June 1993 and agreement in July to support North Korea's request for the acquisition of light water reactors.

While cause and effect are hard to assess with assurance, this pattern of behavior suggests that U.S. actions can have at least limited effect on the decisions of a North Korean leadership that may be uncertain about how to deal with its parlous circumstances.

7. Is time on North Korea's side?

Pyongyang's foot-dragging in the negotiations over control of its nuclear program has created the suspicion that the North is buying time to complete the weaponization of its nuclear material. This may well be so, but in several other respects time does not work to Pyongyang's benefit.

For North Korea, the status quo means sustaining a situation of international isolation and accelerating economic decline. Absent cooperation on the nuclear issue, North Korea will not obtain the foreign trade and investment it seeks -- and needs -- to resuscitate its failing economy. And UN-authorized sanctions, however loosely applied, would further accelerate the decline.

Without a change of course, this reality makes the survivability of the Kim regime and the legitimacy of its succession highly problematic. While there is no current sign of serious domestic political instability in the North, and only anecdotal evidence of periodic incidents of protest, there are signs that the leadership is wrestling with difficult decisions as it seeks to cope with its economic and security dilemmas.[7] Pyongyang's response to U.S. and South Korean proposals for dialogue in 1991 and 1992 suggests,

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[7] In a rare admission of internal difficulties, Kim Il-Song publicly admitted in his 1994 New Year's address that the North Korean economy faced "grave" challenges; and a senior economic official was purged in late 1993, apparently to take responsibility for the deepening economic crisis.

at minimum, that at some level the North Korean leadership is uncertain about the value of pursuing a path of sustained military buildup and confrontation.

8. Does North Korea want to join the "family of nations"?

A number of suggested approaches to dealing with Pyongyang on its nuclear program assume that the North wants to be accepted by the international community and desires political and economic ties. For reasons already discussed, this is a reasonable assumption. However, Pyongyang's behavior—including its tentative efforts at economic reform and its reluctance to carry out people-to-people exchanges already agreed to with the South—suggest deep fears that any opening up of its society to international influences, whether through trade, foreign investment or social contact, would be highly destabilizing to a country long isolated from the realities of life today in South Korea or even China—not to mention the West.

Thus, what we might see as negotiating "carrots" may appear to the Kim regime as "poisoned carrots." Kim Il-Song and his son may well fear that the future of their regime will be similar to that of the Ceaucescu regime in Romania, or at least the turmoil of Tiananmen. This "devil's choice" situation creates complexities for structuring a negotiation that will induce Pyongyang to pursue tension reduction and engagement rather than adhere to its current isolation and hostility.

9. Is U.S. policy clear to North Korean officials?

There is little reliable knowledge about Pyongyang's decision-making process, but most observers assume that authority remains concentrated in the hands of the "great leader" Kim Il-Song. And although North Korean media now assert that control of the government and military has passed to Kim's son, the "dear leader" Kim Jong-Il, the senior Kim remains politically active and almost certainly plays a major role in key defense and foreign policy issues. [8]

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[8]Sorting out relationships between the two Kims is made all the more difficult by the fact that the junior Kim almost never meets foreign visitors. Still—complicating assessments even more—one impression gained by foreign visitors to Pyongyang is that the son filters the information that reaches

Whatever the truth about the division of power and responsibility between father and son, there is concern that lower-level officials are very cautious about passing on "bad news" to either of the two Kims and that, in circumstances where U.S. officials have been dealing with second- and third-tier North Korean diplomats, U.S. policy may not be clearly or completely understood by them. Moreover, in a situation freighted with possibilities for war or peace, conflicting statements by U.S. officials—often on "background"—further increase the risks of misunderstanding or miscalculation. There is thus a fundamental need for clarity and consistency of U.S. policy and for reliable channels of communication.[9]

The Basis of a Negotiation: Assets

The international community has diverse and potent capabilities—military, economic and political—for dealing with the North Korean nuclear threat. The challenge is to engage the issue in a way that plays to our assets for dealing with Pyongyang without either precipitating a war or simply acquiescing in a North Korean nuclear weapons capability. Given Pyongyang's demonstrated past willingness to use its military capabilities, we must be thoroughly prepared to deter its use of force. But our diplomatic and other assets provide the basis for dealing with the situation in a way that gives us a relatively strong prospect of achieving our objectives without playing the confrontation out as a military conflict.

What must be done to use our strengths in this situation to maximum effect?

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his father.

[9] It should be recalled that the Korean War began in the summer of 1950 in the context of a policy statement by Secretary of State Dean Acheson in January of that year which asserted that Korea was outside the defense perimeter of U.S. interests in East Asia. It has long been assumed that this statement led the Korean Communists and others to assume that the United States would not react to an attack from the north. This interpretation is supported by the complaint of a Soviet diplomat some years later to U.S. officials that the U.S. bore responsibility for the start of the Korean War precisely because it misled Stalin and Kim Il-Song about U.S. intentions.

• We must maintain, in close coordination with our South Korean ally, a credible military deterrent to foreclose Pyongyang's military options. The American alliances with both Seoul and Tokyo are critical to maintaining deterrence and to mounting an effective defense, if necessary.

• U.S. leadership and U.S.-Korean-Japanese trilateral policy coordination is the core factor in sustaining the strong international consensus against North Korea's nuclear weapons proliferation efforts.

• Maintaining a strong international coalition, including Russia, China and the other permanent members of the UN Security Council, is essential to convincing Pyongyang that its resistance to proliferation controls will continue to encounter determined and widespread international opposition.[10]

• We and our allies have political and economic assets which, if used in the right way, may help convince Pyongyang that continuing down the path of confrontation is far less desirable than the alternative process of defusing the military confrontation—with the nuclear program being the first priority—and pursuing a path of reducing tensions, building confidence, and gradually engaging the world economically and politically.

One of the interesting aspects of the current standoff with North

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[10] China is the most problematic member of this coalition. Beijing opposes putting public pressure on Pyongyang, especially in the form of sanctions. (How the Chinese deal privately with the North Korean leadership is not known, but there are reasons to believe that Beijing is quite frank behind closed doors in letting Pyongyang know when its actions harm Chinese interests and that China will not allow those interests to be compromised.) The Chinese assert that public pressure is not the most productive approach to influencing the DPRK; and it is also likely that the PRC does not want to support sanctions that would set a precedent for others pressuring China on its own arms development and international arms sales.

Nonetheless, Beijing has not blocked IAEA or UN resolutions calling on North Korea to cooperate with the IAEA. In part this reflects the normalization of PRC-ROK relations in 1992, but it is also symptomatic of China's opposition to nuclear weapons in the hands of either North or South Korea as well as its desire to avoid heightened tensions—much less another round of warfare—on the Peninsula.

Korea is that, despite its frustrating negotiating behavior, Pyongyang gives every indication of wanting to sustain a dialogue—and perhaps a serious negotiation—with the United States. This could merely represent an effort to buy time to advance its nuclear program and/or to deflect pressures for international sanctions. But given the serious implications of this situation, it is worth exploring whether or not there is an opportunity to advance a negotiating process of tension reductions and military stabilization.

One of Pyongyang's enduring objectives in negotiating with the United States has been to push Seoul to the side and avoid negotiating with its rival government in the South. If there is to be stability on the Korean Peninsula, however, it can only come through a protracted process of dialogue and reconciliation between the ROK and the DPRK. Such a dialogue and the building of confidence will also facilitate economic interaction between North and South, which is essential to creating the conditions for a "soft landing" in the decades-long confrontation on the Korean Peninsula.

The Basis of a Negotiation: Goals

In designing a negotiating approach it is useful to assess what are likely to be the negotiating concerns and objectives.

U.S. negotiating objectives, and those of our treaty allies, are clear enough:

- to enhance the security of our allies, the Republic of Korea and Japan, by gaining the complete elimination of the North Korean nuclear weapons program (and delivery systems). Achieving this priority objective will reinforce efforts to establish a more comprehensive, longer-term program of confidence-building and arms control/reduction on the Korean Peninsula (attained, in part, through implementation of the North-South agreements of 1991);[11]

[11] As the Iraqi experience demonstrates, short of physically occupying the country, no inspection regime can attain 100 percent confidence of full knowledge of the North Korean nuclear program. Pyongyang's

- to have the outcome strengthen the effectiveness of the global nuclear nonproliferation regime and the IAEA, as well as proliferation controls over North Korea's exports of nuclear materials and missiles;

- to confront North Korea with a clear choice: face increasing international isolation and domestic deterioration as the price of pursuing its nuclear program, or abandon that program in favor of a course of military stabilization, tension reduction and economic and political engagement with the world.

We assume that North Korea is trying to maximize the benefits it can gain for its military, political, and economic security through negotiations with the United States while giving away as little as possible of its nuclear program in the process. Its minimum goal—while perhaps giving up the large-scale capacity to produce and reprocess plutonium—may be to preserve a certain element of ambiguity about the nuclear capability it has already acquired, so as to maintain an element of nuclear deterrence.

Three specific negotiating objectives can be posited for Pyongyang: strengthening its political legitimacy (as through recognition by the United States), gaining economic benefits of various kinds to reverse its domestic decline, and improving its security (as through assurances against attack and modifications or further reductions in the U.S. and ROK defensive forces deployed against it).

Making progress toward these objectives will confront the North Korean leadership with conflicting requirements. For example, gaining economic benefits is likely to require opening up North Korean society to outside influences—a process that could weaken the regime's controls

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track record in the use of violence, deception and inconstant behavior requires the international community to gain confidence in North Korean purposes through a more reliable mechanism beyond IAEA routine inspections. In addition to continuing to rely on existing methods for monitoring the program, the regime of challenge on-site inspections agreed to in principle in the still-unrealized North-South nuclear accord presents an important additional mechanism for building confidence. One hopes that, if Pyongyang's purpose is to heighten its own security and improve prospects for economic growth, it will see such a bilateral confidence-building measure as serving its own interests.

over the population. As observed earlier, Pyongyang will seek to gain its goals with minimal foreign intrusion into North Korean society. And if past practice is any guide, it will try to negotiate with us in a manner designed to sow distrust between the United States and South Korea.

The weighty negotiating agenda required to deal with the North Korean nuclear challenge can be pursued only by protracted and multi-track efforts supported by carefully structured incentives and the consistent backing of the international community. We must maintain close coordination of policy and collective action with Seoul and Tokyo, and consultation—and, to the extent possible, coordinated action—with China, Russia and other key members of the international community. And as stressed earlier, our effectiveness at the negotiating table will be influenced in significant ways by our ability to maintain an effective military deterrent.

A Package Proposal: Offering Pyongyang Two Paths to the Future

The study group concluded that a U.S. and ROK negotiating approach which focused only on the nuclear issue would neither be sufficiently broad to encompass other vital American and South Korean security interests, nor address the concerns in Pyongyang that ostensibly underlie its nuclear program. Thus, the group supported the concept of a package proposal which would present the North Korean leadership with a clear strategic choice about its future: either continuing confrontation, or a phased process of engagement with the world.

Such a package can reasonably be constructed on the assumptions that the Kim Il-Song regime, for all its threatening bluster and the militarization of its society, is fundamentally concerned with its own survival, that it wants to avoid general war on the Peninsula (conventional as well as nuclear), and that it sees its long-term survival being threatened by its own economic weaknesses and international isolation.[12] The first and fundamental question to be tested by this broader

[12] There is a view, supported by internal statements of North Korean leaders, that Pyongyang is

approach to engaging the North is whether it will be responsive to international concerns about its nuclear program if its underlying security and economic concerns are accounted for.

What would such a package look like? We believe it should consist of a clear statement of the strategic choice confronting the DPRK. The first path, that of tension reduction and confidence-building, should be specified by a clearly defined set of actions that would, in a phased series of moves, gradually stabilize and eventually reduce the military confrontation.

For North Korea, in addition to resuming dialogue with the South on implementation of their denuclearization agreement, there are three steps necessary before any further progress will be possible:

— full adherence to the Nuclear Non-Proliferation Treaty;

— full cooperation with the IAEA on routine monitoring of declared facilities and IAEA inspection of the suspected waste sites (either by a special inspection, or by routine and ad hoc inspections as a result of Pyongyang declaring the waste sites to be facilities under the terms of the NPT);

— permitting IAEA to monitor the unloading of the core of the 25 megawatt reactor, and allowing the IAEA to sample the core.

In addition, Washington, Seoul, Tokyo and others would look to Pyongyang to take additional steps, to which they would respond appropriately. These would include:

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preparing to reunify the Peninsula by force, with 1995 being a target date for completing necessary military preparations. Such statements, which gain certain credence from the reality of North Korea's menacing deployments close to the DMZ and current military modernization efforts, must be taken into account by sustaining an effective U.S.-ROK deterrent posture, as is suggested elsewhere in this assessment. But such internal statements may also be interpreted as propaganda efforts used to justify the North's bloated military budget and to rally domestic support from the armed forces for the leadership. They should be the subject of discussion with North Korean officials and the basis for conventional arms control proposals which would require the North to redeploy offensive military forces away from the DMZ as the basis for reciprocal adjustments in U.S. and ROK forces.

— decommissioning all graphite reactors in parallel with movement to alternative energy sources that reduce the risk of proliferation;[13]

— dismantling its reprocessing facility as required under the 1991 North-South denuclearization accord, and accounting for all plutonium in its possession based on IAEA analysis of waste sites and core samples;[14]

— accepting a challenge on-site nuclear inspection regime, with either the North-South Joint Nuclear Control Commission or the IAEA as implementing agent (along the lines of the Argentina-Brazil precedent);

— agreeing to conventional confidence- and security-building measures to reduce tensions across the DMZ, including:

• mutual reduction (and eventual elimination) of armaments within the DMZ ;

• mutual reductions of forces and heavy armaments within specified distances from the DMZ;[15]

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[13] One possibility would be replacement of the graphite-moderated reactors with light water reactors. This was requested by the DPRK at the July 1993 talks with the United States. Washington responded with support for such an exchange in the context of an overall nuclear settlement. Although this approach is considered by some experts to be too expensive and/or inappropriate, it may be the only tradeoff Pyongyang will accept for decommissioning its graphite reactors.

[14] There is the issue of what to do about the plutonium already in Pyongyang's possession (whatever its amount). Some people believe it will be so difficult to gain Pyongyang's agreement to turn over this material to international control that a negotiation is not worth the effort. The working group believes, however, that this issue must be addressed as part of a stabilizing settlement.

[15] Pullback of forces and weapons might well need to be asymmetrical in light of Seoul's proximity to the DMZ. Rather than looking to one-for-one adjustments, therefore, the objective should be framed in terms of promoting equal security. In any event, all of these topics would be most appropriately negotiated in the first instance between Seoul and Pyongyang. The United States should make clear to North Korea that Washington is willing to work out arrangements with Seoul to accord with any North-South agreements.

North Korea's long-standing goal of the withdrawal of all U.S. forces from the Peninsula is

- enhanced transparency on a reciprocal basis, including advance notification of military exercises and invitations to observers as well as publication of other information on military programs and activities on the Peninsula.

The response by the United States, South Korea, Japan and others to Pyongyang's actions along this path should be proportionate and designed to encourage further steps toward stabilizing and reducing the military confrontation and building confidence. Precisely what steps should be taken, and in what order and timing, must be the result of planning efforts among the relevant agencies of the U.S. government, and they must be well coordinated with the ROK and our other international partners. In addition to reiterating non-nuclear assurances (the so-called negative security assurances) and openness to base inspections in the South, they would notionally include—as confidence developed—such measures as establishing an appropriate level of diplomatic representation in Pyongyang, lifting the embargo on trade in non-strategic goods, and technical assistance for reforming and civilianizing the economy.

The package should also demarcate Pyongyang's alternative path to the future if it fails to abandon its nuclear weapons efforts: increasing diplomatic isolation, further economic deprivation, and further steps by the U.S./ROK to ensure that the DPRK obtains no military benefit from its nuclear program.

Failure to act in accordance with non-proliferation objectives would, in the first instance, be addressed within the IAEA/UN system, with the likeliest course being resort to economic sanctions. Actions that raised the threat of war would need to be responded to with a range of deterrent steps, including deployment of appropriate U.S. forces and equipment to Korea.[16] U.S. and ROK negotiators should specify to their North Korean

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unreasonable, and unacceptable, for the foreseeable future. Some further reduction of the U.S. forces now in South Korea is already envisaged under the EASI (see footnote 1), but in light of the undiminished high levels of mistrust and hostility across the DMZ, the continuing presence of U.S. forces will be necessary to give credibility to the U.S. defense commitment to the ROK.

[16]The sanctions package must be structured with a recognition that the issues of North Korean missile exports, the development or deployment of long-range missiles, and promotion of chemical, biological

counterparts those actions that would elicit such a response. Actions by Pyongyang that would warrant such a response would include, for example:

— refusing to accept IAEA inspections,

— withdrawing from the NPT,

— removing the 25 megawatt core without IAEA inspection,

— proceeding to complete the 200 megawatt reactor and/or the reprocessing facility (or any other facility that produces weapons-grade plutonium),

— detonating a nuclear device or in other ways demonstrating that it had weaponized its plutonium,

— deploying long-range missiles,

— exporting nuclear materials or technology,

— actions in conventional or chemical/biological weapons areas that heightened the threat of mass destruction.

It is possible that North Korean leaders, paralyzed by their own indecision or domestic political considerations, might try to remain in their current posture of "temporizing confrontation"—trying to avoid an outright break with the international community over the nuclear issue without either taking steps to reduce tensions via negotiated agreements or heightening the nuclear and conventional military threat to South

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and CFE-type conventional reductions need to be addressed differently than the nuclear issue. It is the DPRK's NPT membership that provides the legal and political context for addressing the nuclear issue on an international basis and for considering UN sanctions.

Similarly, the North-South denuclearization agreement provides a political/legal basis for addressing the issue of reprocessing. Recognizing that the full range of requirements being levied on North Korea go beyond non-proliferation norms, the overall negotiating approach must take account of that fact and to establish an incentive structure for Pyongyang within which it will see its own interests advanced by stabilizing and downgrading the military confrontation.

Korea. Given the demonstrated North Korean capacity to hunker down, this might appear at first to be an appealing option for Pyongyang. In our view, however, this is not a viable alternative over the long run.

North Korea's growing economic and other difficulties will only be exacerbated by efforts to "stand pat." As their situation continues to deteriorate through increasing isolation, the North Korean leadership will likely be impelled to either give up its nuclear program in order to obtain the crucial benefits they now are seeking, or, if this course proves politically too difficult, they could decide to continue along the path of confrontation and nuclearization. This latter course would in short order push Pyongyang to take decisions that would evoke a strong international response. Further, although the international community may exhibit some patience if continuity of safeguards is maintained and Pyongyang foregoes other precipitating actions, at some point the outside world will conclude that the DPRK has in fact opted for the negative path described above, and will react accordingly.

Thus, although the North might try to temporize for a time, we see little prospect that they could sustain such a position.

It is this reality that provides the opportunity for U.S. diplomacy to present North Korean leaders with a package proposal which will reshape their thinking about their future—and hopefully incline them toward a constructive way out of their dilemmas.[17]

By presenting such a clear and precise package proposal, U.S.-led diplomacy can achieve three fundamental objectives in dealing with the North Korean challenge: it can remove any ambiguity in Pyongyang's thinking about the benefits to be achieved by abandoning its nuclear program, it can reinforce those within the North Korean leadership

[17]We would argue that even if a course of coercive action is undertaken, an authoritative channel for US-DPRK dialogue should remain open. Although no incentives should be implemented until forward movement occurs, it is important that North Korea understand both the nature of the package of gains it could hope for if it complied with its international commitments on the nuclear issue and took other steps to allay international concerns, and the consequences if it continued on its current course. The senior coordinator recommended elsewhere in this report would have responsibility to see that these messages are clearly understood by the leadership in Pyongyang.

inclined toward a course of engagement rather than continuing isolation and decline, and it can provide the policy context for sustaining the international coalition that opposes Pyongyang's proliferation efforts.[18]

In Conclusion . . .

In conclusion, the North Korean nuclear challenge is one that must receive high priority and high-level attention by the Administration. It is a challenge which must be responded to, at one level, by maintaining an effective deterrent in the face of North Korea's military threat. But while there is no certainty, the group believes there is a reasonable prospect that the issue can be dealt with through negotiations based on robust U.S. and allied political, diplomatic, military and economic strengths. Negotiations should offer Pyongyang a clear and unambiguous strategic choice about its future: one of sustained confrontation and unrelenting pressure, or a phased process of tension-reduction, gradual confidence-building and engagement with the world.

Especially in the short term, Pyongyang may not choose the latter path. Given the DPRK's sense of vulnerability and the internal constraints of a highly militarized, totalitarian political system, the nuclear issue may not be resolvable through negotiations. Ultimately, the U.S. and its South Korean ally may have to take steps to further heighten their deterrent capabilities and impose increased costs on North Korea in response to continuing DPRK efforts to develop nuclear weapons. But the realities of this situation, as best they can be discerned, imply that North Korea will either opt for survival by giving up its nuclear program, or it will continue down a course of isolation and confrontation and in time will succumb to its own internal weaknesses. # # #

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[18] As suggested earlier, we believe that China is unlikely to veto UN sanctions against North Korea if Pyongyang has rejected a package deal that meets its reasonable concerns. However, Beijing is unlikely either to support military enforcement of sanctions or to adhere to any sanctions regime that threatens North Korea's collapse.

Table 1. Comparison of vital statistics on North and South Korea

	North Korea	South Korea
Population (1992)	22.2 million	44.1 million
GNP (1991 est.)	$23.3 billion	$273 billion
GNP/capita (1992)	$1,100	$6,300
GNP growth		
1988 (EIU)	2.9%	11.5%
1991	-2%	8.7%
1992 est. (EIU)	-5%	4.8%
Defense/GNP (1992)	20–25%	4.5%
Exports/GNP (1992)	8.7%	26%

Unless otherwise stated, all data are from *The World Factbook, 1993–94* (Central Intelligence Agency/Brassey's, 1993). EIU = Economist Intelligence Unit.

Map 1. North and South Korea, including the capitals and the main nuclear reactor site, Yongbyon

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STATEMENT BY

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BEFORE THE

SUBCOMMITTEE ON ASIAN PACIFIC AFFAIRS

AND THE

SUBCOMMITTEE ON INTERNATIONAL SECURITY, INTERNATIONAL ORGANIZATIONS, AND HUMAN RIGHTS

US HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1994

Mr. Chairman, Members of the Committee, I am very pleased to appear before you today on the subject of Security on the Korean Peninsula. I am Kathleen Bailey and currently am a senior researcher at the Lawrence Livermore National Laboratory, having spent the majority of my professional career in the study of the proliferation of weapons of mass destruction—the technical requirements for success and the policy options to deter it. I have served the United States Government in the Arms Control and Disarmament Agency, the State Department, and the United States Information Agency. Among my publications on the subject of proliferation are two books whose subject is the dangers of nuclear, chemical, biological, and missile proliferation. My remarks today represent my own views and do not necessarily represent those of the Lawrence Livermore National Laboratory, the University of California, or any agency of the United States Government.

North Korea has violated its international treaty obligations and continues to do so. It is presenting the United States and its East Asian allies with a grave security threat—the development of nuclear and other weapons of mass destruction. Furthermore, it is eroding the nuclear nonproliferation regime at a critical juncture, the time when nations are considering whether and for how long to renew the Nuclear Nonproliferation Treaty (NPT).

What has the United States done in response? It has negotiated with Pyongyang for months with no resultant change in North Korea's behavior. This policy amounts to appeasement and it has got to stop. North Korea has eaten all the carrots. Now it is time for the stick.

Rather than continuing to focus on incentives that might entice North Korea to meet its international obligations, we should inform Pyongyang that it has one week to open its facilities to special IAEA inspections and that if it does not, the United States will simultaneously beef up defenses for our allies and punish North Korea with every means available short of war.

Some may argue that this is not the time for harsh action because North Korea decided last week to allow a routine inspection to take place. This inspection will be limited to the seven declared facilities and <u>may</u> enable the IAEA to determine whether any illegal activities took place during the eight

months that North Korea has refused to allow even routine inspections. Keep in mind that this single inspection is not a special inspection. It will not be allowed to go to the sites suspected of storing wastes from North Korea's reprocessing activities—sites that might allow us to determine whether North Korea has more plutonium than it says it has. In short, this inspection does nothing to erase North Korea's violation of the NPT or the threat that it presents to the United States and its allies.

North Korean Activities

A key point to remember is that North Korea's current obdurate behavior is not a recent phenomenon. From the time that North Korea signed the NPT in late 1985 until April, 1992, it dragged its feet on completing a safeguards agreement with the IAEA. This behavior deepened suspicions of those who had observed that country's indigenous development of nuclear facilities that would be capable of supporting nuclear weapons development.

Following the requisite declarations by North Korea of its nuclear program pursuant to the safeguards agreement, ad hoc inspections were conducted in May, 1992. The IAEA's findings were inconsistent with North Korea's declarations and it was clear that North Korea had lied. Additional inspections were requested, but when they took place in the fall of 1992, inconsistencies remained unresolved.

The United States provided the IAEA with convincing evidence that North Korea had hidden nuclear sites not shown to inspectors. The IAEA then asked North Korea to allow special inspections. North Korea resisted and became increasingly belligerent. In March, 1993, Pyongyang announced its withdrawal from the NPT, but then suspended the "effectuation" of withdrawal in June. It says that its membership remains in suspension and it has "extraordinary NPT status."

In the summer of 1993, North Korea's flaunting of the NPT became even worse: it refused to allow fulfillment of even routine inspections. As a result, camera film and batteries went unchanged and the IAEA was unable to assure that illicit activities were not underway at declared facilities.

It should be kept in mind that these problems take place against a backdrop of other disturbing activities. North Korea has developed and sold abroad extended range Scuds, and is reported to be developing new versions capable of a range greater than 2000 km. It is said by the Russian Intelligence Service to have or be engaged in development of chemical and biological weapons. And, it has repeatedly stated its readiness and willingness to go to war.

Carrots Consumed

When North Korea opted out of the NPT in early 1993, it got the attention of the world, especially of the United States. To convince North Korea to remain in the treaty and, hopefully, to allow the required safeguards inspections, the United States agreed to bilateral diplomatic discussions. The value of these discussions to Pyongyang was high, given the desire of the North Korean leadership for international recognition.

Two of the initial demands made by Pyongyang were that US nuclear weapons be withdrawn from South Korea and that the United States reaffirm it would not use force against North Korea. The US reaffirmation was forthcoming. And, in December 1991, South Korean President Roh Tae Woo announced that there were no nuclear weapons on his country's soil.

Another demand was that the US-South Korean "Team Spirit" exercises be canceled. The United States, while not openly admitting acquiescence, has not prepared for them in 1994 and it is unlikely that they will be held.

Yet another demand was that the United States offer North Korea light water reactor technology. Washington agreed to discuss doing so.

The United States has begged North Korea to stay in the NPT and has offered bribes to get it to do what it is already obligated to do under international law. In return for repeated concessions by the United States since mid-1992, North Korea has given nothing. It continued to refuse special inspections and has not rejoined the NPT. Making matters worse, it took a step backward by disallowing performance of routine inspections between August, 1993 and February, 1994.

The Threat

North Korea's behavior makes a mockery of the nonproliferation regime. If this is how the United States deals with flagrant flouting of NPT rules, how can other parties to the treaty believe that the NPT provides any protection against the proliferation of a neighbor? If you were Japan or South Korea wouldn't you reconsider your nuclear option? If the international community and, most importantly, the United States won't take on North Korea, it is inevitable that other nations will conclude they too need their own nuclear weapon to protect their vital interests.

And, there is another message for potential proliferators in the US appeasement of North Korea. Much as Ukraine has used the threat of keeping the nuclear weapons on its soil to gain political and economic advantage, North Korea is using its secret nuclear program for what amounts to extortion. The message to other potential proliferants can only be that nuclear weapons, even potential nuclear weapons, are good bargaining chips which can be used to obtain political, military, and economic concessions from the United States.

Equally bad for the regime is the fact that a party to the NPT can violate the treaty with few or no repercussions. It has been more than a year since North Korea's apparent violation was detected and still there have been no punitive actions by the international community. Rather, the message is that if a party violates the NPT and then seeks to withdraw from the treaty, the United States and others will try to entice the party to stay with concessions and promises of reward. When the 1995 Review and Extension Conference of the NPT occurs, parties are likely to openly question the value of the treaty given the ease with which some can and do flaunt it.

The second threat posed by North Korea's nuclear capabilities is that they may cause a war and may even lead to nuclear weapons use in war. North Korea has warned that any efforts to stop its nuclear program—whether economic sanctions or more proactive measures—will be treated by Pyongyang as an act of war. Because the United States has a security commitment to its ally South Korea, and has so many troops there, conflict will inevitably lead to the loss of American lives. One obvious means to limit the number of allied casualties would be for the United States to use nuclear weapons early in the

conflict. Or, North Korea might itself employ weapons of mass destruction, including perhaps a nuclear or radiological weapon, against the South. Use by either side of weapons of mass destruction would be a tragedy not only because of the resulting death and devastation, but also because such use would erode or destroy the current taboo against use of such weapons.

What Kind of Stick?

While we may continue to hold out the prospect of additional carrots, it is time for the stick. The most frequently discussed punitive action is economic sanctions. One stumbling block is that China, a permanent member of the Security Council, must agree. Also, China must actively participate in the sanctions, as it is the country most able to and likely to circumvent them. If the United States is serious about responding strongly to North Korea's proliferation, it should be willing to use renewal of most favored nation status and other incentives to assure Chinese participation.

A more crucial problem with sanctions is that they are unlikely to work, and may even prompt war. North Korea's economy is very poor and not reliant on international trade to any significant degree. The general population has a very low standard of living and is unlikely to react against any additional hardship. The military will probably survive the effects of an embargo, or even a blockade, for quite some time. North Korea has planned for war carefully, including stockpiling of critical energy, food, and other supplies. And, it is important to keep in mind that Pyongyang has repeatedly stated that sanctions would be viewed as an act of war. Thus, if sanctions are the preferred international measure to try to force North Korea to give up its nuclear weapons program, it would be prudent for us to prepare for that measure not only to fail, but to cause North Korea to attack the South—perhaps with nuclear or other weapons of mass destruction.

Perhaps a more effective stick would be to inform North Korea that, unless it allays our fears that it has or is developing nuclear weapons, we must assume the worst and act accordingly. The Pyongyang leadership should be clearly told that it has a set amount of time to open the two suspected waste storage sites to inspection and fulfill the standing requests for information on its nuclear program. If this demand is not met, the following actions will ensue:

1. The United States will respond to any use of a weapon of mass destruction, whether nuclear, chemical or biological, with nuclear retaliation. This would reopen the option of deploying nuclear weapons in South Korea.

2. The United States will reschedule and conduct Team Spirit.

3. The United States will seek North Korea's expulsion from the NPT along with a boycott of Pyongyang's participation in international fora.

With regard to the latter point, it is crucial to the integrity of the NPT that North Korea not be a noncompliant party remaining in the treaty when the 1995 Review and Extension Conference takes place. Otherwise, it will be obvious to other parties that the treaty is meaningless in terms of preventing or punishing noncompliance.

In conclusion, it is regrettable that diplomacy has failed to bring Pyongyang's behavior into accord with international nonproliferation norms and law. But enough is enough. A year of stonewalling can no longer be rewarded with endless meetings. And it is very important that the routine inspections now being planned not be treated as compliance; they are merely a return to the spot where we were a year ago. North Korea can not be allowed to gobble more carrots without result.

Chronology

1977	Safeguards agreement on IRT research reactor based on the INFCIRC/66 model
12/12/85	Accession to the NPT
4/10/92	Conclusion of safeguards agreement based on the INFCIRC/153 model
5/4/92	Initial report on nuclear materials and facilities submitted to IAEA
5/11-16/92	First IAEA ad hoc inspection (Blix)
5/25-6/6/92	Second IAEA ad hoc inspection

(Inspection revealed inconsistencies between North Korean declarations and apparent undeclared reprocessing activities. North Korea claimed a single reprocessing operation of irradiated fuel from 5MWe reactor in the spring, 1990. The IAEA was unable to confirm this.)

8/31-9/15/92	Third ad hoc inspection which included visits to two sites, one not nuclear-related and the other said to be military. Visit to latter was restricted to visible portion.

(Later information on second site revealed a below-ground portion with a configuration suitable for nuclear waste storage. Another site, also appearing suitable for waste storage, was identified.)

11/2-14/92	Fourth ad hoc inspection
12/92	Fifth ad hoc inspection
1/26-2/6/93	Sixth ad hoc inspection (Requests to visit suspect sites disallowed by North Korea)
2/9/93	IAEA requested North Korea to provide access to and information on additional two possible waste storage sites.
2/13/93	North Korea declined.
2/25/93	IAEA Board adopted resolution saying "Access to information and sites is essential and urgent"

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3/12/93	North Korea announces intention to withdraw from NPT
5/11/93	UN Security Council Resolution 825 passed, calling on North Korea to comply and asking IAEA to continue consultations
5/10-14/93	Seventh IAEA inspection. IAEA inspectors are allowed only to verify that monitoring equipment is still functional
6/11/93	US-North Korea bilateral in New York. North Korea "suspends effectuation" of withdrawal
7/14-19/93	US-North Korean bilateral in Geneva
8/4-6/93	Eighth ad hoc inspection; activities limited
1/15/94	North Korea agrees to routine inspection

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